JOURNAL

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HOUSE OF REPRESENTATIVES

OF THE

COMMONWEALTH OF KENTUCKY

REGULAR SESSION, 1950

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Regular Session, 1950

TUESDAY, JANUARY 3, 1950

At a General Assembly of the Commonwealth of Kentucky, begun and held at the Capitol, in the City of Frankfort, on Tuesday, January 3, in the year of Our Lord, one thousand nine hundred and fifty and the one hundred and fifty-eighth year of the Commonwealth, that being the day fixed by the Constitution for the meeting thereof, the Honorable V. A. (Bill) Phillips, Assistant Clerk of the House of Representatives during the session of the General Assembly last passed, called the House to order.

The House was opened with prayer by the Reverend Edward W. Baxter, pastor of the Episcopal Church of Frankfort, Ky.

Thereupon, V. A. (Bill) Phillips, Assistant Clerk of the House during the session of the General Assembly last past, and now Acting Clerk, produced and read the following certificate from the Secretary of State, viz:

I, George Glenn Hatcher, Secretary of State of the Commonwealth of Kentucky do hereby certify that the following and hereto attached is a true list of the names of the duly elected members of the House of Representatives for the 1950 Session

of the General Assembly of the Commonwealth of Kentucky whose certificates of election are filed by the Election Commission as required by law in my office; and to the best of my knowledge and belief obtained from authentic sources, a correct list of those members elected in single counties having one or more legislative districts and who are now required by law to file with the office of Secretary of State which are now on file and are a matter of record in this office, which list is furnished for the convening roll call, and other uses of the General Assembly.

Dist. No.	*Counties In District*	*Name*	*Address*	*Party*
1.	Hickman, Fulton	Harry Lee Waterfield	Clinton	D.
2.	Ballard, Carlisle	L. E. Bradley	Bandana	D.
3.	Graves	Adron Doran	Wingo	D.
4.	McCracken	Chas. W. Burnley	Paducah	D.
5.	McCracken	Fred Morgan	Paducah	D.
6.	Lyon, Marshall	A. L. (Chick) Love	Kuttawa	D.
7.	Calloway	Barkley Jones	Lynn Grove	D.
8.	Caldwell, Trigg	Wm. L. Jones	Princeton	D.
9.	Christian	James P. Hanratty	Hopkinsville	D.
10.	Hopkins	Fred Beshear	Dawson Springs	D.
11.	Livingston, Crittenden	Geo. F. Harris	Salem	D.
12.	Union	G. I. Drury	Morganfield	D.
13.	McLean, Webster	Archie R. Moore	Island	D.
14.	Henderson	Thomas R. Duncan	Robards	D.
15.	Daviess	John M. Spaulding	Owensboro	D.

Dist. No.	*Counties In District*	*Name*	*Address*	*Party*
16.	Daviess	John A. Head	Owensboro	D.
17.	Muhlenberg	W. R. Stringer	Central City	D.
18.	Ohio, Hancock	John D. Beatty	Fordsville	R.
19.	Todd	C. Sid Nabb	Guthrie	D.
20.	Logan	Mrs. J. T. Linton	Russellville	D.
21.	Simpson, Allen	Roy Lee Steers	Franklin	D.
22.	Warren	Dr. C. E. Palmore	Bowling Green	D.
23.	Edmonson, Butler	Alton Mitchell	Brownsville	R.
24.	Grayson	Damon Majors	Caneyville	D.
25.	Hardin	Leonard T. Bean	Elizabethtown	D.
26.	Breckinridge, Meade	Walter R. Moorman	Glen Dean	D.
27.	Barren	Leonard W. Preston	Glasgow	D.
28.	Metcalfe, Monroe	John Martin	Edmonton	R.
29.	Green, Adair	Egbert V. Taylor	Greensburg	R.
30.	Marion, Taylor	Owen Deering	Lebanon	D.
31.	Larue, Hart	Robert N. Hubbard-Hodgenville		D.
32.	Nelson, Anderson	G. Lee McClain	Bardstown	D.
33.	Bullitt, Spencer	J. D. (Jiggs) Buckman, Jr.	Shepherdsville	D.
34.	Jefferson	James S. Shaw	4012 St. Ives Court, Louisville	R.
35.	Jefferson	Fred M. Warns	4004 Dixie Highway, Louisville	R.

Dist. No.	*Counties In District*	*Name*	*Address*	*Party*
36.	Jefferson	Chester J. Holzclaw	1508 Locust St., Louisville	D.
37.	Jefferson	Edward O. Bridgers	2023 Sherwood Ave., Louisville	D.
38.	Jefferson	Mrs. Thelma Stovall	712 E. Gray St., Louisville	D.
39.	Jefferson	Sidney Baer	Walden Place, Louisville	D.
40.	Jefferson	Clarence J. Barnum	1035 S. 7th St., Louisville	D.
41.	Jefferson	Chas. E. Baumgardner	3915 Taylor Blvd., Louisville	D.
42.	Jefferson	Jesse H. Lawrence	1732 W. Hale Ave., Louisville	R.
43.	Jefferson	Richard R. Houpt	2308 W. Oak, Louisville	D.
44.	Jefferson	James H. Polsgrove	223 S. Western Parkway, Louisville	D.
45.	Washington, Mercer	Forest Smith	Texas	D.
46.	Boyle, Garrard	Raymond D. Stigall	Danville	D.
47.	Madison	Josh Cosby	Richmond	D.
48.	Woodford, Jessamine	Stanley Carter	Versailles	D.
49.	Fayette	Charles J. Bronston	Lexington	D.

Dist. No.	*Counties In District*	*Name*	*Address*	*Party*
50.	Fayette	Mrs. Mary Elizabeth Burnett	Lexington	D.
51.	Franklin	William M. Horn	Frankfort	D.
52.	Shelby	W. R. Reasor	Shelbyville	D.
53.	Oldham, Trimble	Geo. F. Williamson	LaGrange	D.
54.	Gallatin, Boone	T. Herbert Tinsley	Warsaw	D.
55.	Owen, Grant	Jack McPherron	Owenton	D.
56.	Scott, Harrison	William K. Henry	Georgetown	D.
57.	Carroll, Henry	Roy Searcy	Eagle Station	D.
58.	Kenton	Carl J. Ruh	Covington	D.
59.	Kenton	Paul S. Jonas	Covington	D.
60.	Kenton	Paul E. Shannon	Covington	D.
61.	Kenton	Gus Sheehan, Jr.	Covington	D.
62.	Campbell	Chas. W. Wirsch	Fort Thomas	R.
63.	Campbell	Morris Weintraub	Newport	D.
64.	Bracken, Pendleton	Silas Jacobs	Brooksville	D.
65.	Mason	Alex H. Calvert	Mays Lick	D.
66.	Robertson, Fleming	True Mackey	Mount Olivet	D.
67.	Bourbon, Nicholas	Jos. T. Snapp	Paris	D.
68.	Clark	Bernam Adams	Winchester	D.
69.	Montgomery, Menifee	Claude Stacy	Mt. Sterling	D.
70.	Bath, Rowan	Walter J. Bailey	Preston	D.
71.	Lewis	Hobart Rayburn	Emerson	R.

Dist. No.	*Counties In District*	*Name*	*Address*	*Party*
72.	Greenup	E. R. Hilton	Raceland	D.
73.	Carter	R. O. Blevins	Olive Hill	R.
74.	Magoffin, Knott	Ray Holbrook	Salyersville	D.
75.	Wolfe, Morgan	Ralph Nickell Walter	Hazel Green	D.
76.	Breathitt, Lee	Woodrow W. Hollan	Jackson	D.
77.	Estill, Powell	Edgar Arnett	Ravenna	D.
78.	Owsley, Jackson	Emmett G. Moore	Booneville	R.
79.	Rockcastle	James W. Lambert	Mount Vernon	R.
80.	Lincoln	M. G. Thompson	Stanford	D.
81.	Russell, Casey	Harold G. Helm	Russell Springs	R.
82.	Cumberland, Clinton	Lyle H. Webb	Burkesville	R.
83.	McCreary, Wayne	Mitchel S. Fannin	Whitley City	D.
84.	Pulaski	Homer E. Losey	Somerset	R.
85.	Whitley	Maurice G. Howard	Corbin	R.
86.	Laurel	Roscoe C. Estepp, Sr.	Lida	R.
87.	Knox	Chester A. Hammons	Flat Lick	R.
88.	Bell	Durham W. Howard	Pineville	R.
89.	Harlan	B. H. Crider	Tottersville	R.
90.	Harlan	LeRoy Saylor	Cumberland	R.
91.	Clay, Leslie	Thomas L. Britton	Oneida	R.

Dist. No.	*Counties In District*	*Name*	*Address*	*Party*
92.	Letcher	Bill Adams	Isom	R.
93.	Perry	Paul Combs	Hazard	D.
94.	Pike	Dr. Roy Sanders	Dorton	D.
95.	Pike	Amos Runyan	Belfry	D.
96.	Floyd	Henry C. Hale	Blue River	D.
97.	Floyd	Paul E. Hayes	Hi Hat	D.
98.	Johnson, Martin	Wm. T. Marshall	Van Lear	R.
99.	Elliott, Lawrence	Jesse H. Shelton	Dew Drop	D.
100.	Boyd	Harry King Lowman	Catlettsburg	D.

IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the official seal,

Done at the City of Frankfort, this 3rd day of January, A.D. 1950.

(Signed) George Glenn Hatcher
Secretary of State

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	Charles J. Bronston	Henry C. Hale
Bill Adams	J. D. Buckman, Jr.	Chester A. Hammons
Edgar Arnett	Mrs. Mary Burnett	James P. Hanratty
Sidney Baer	Charles W. Burnley	George F. Harris
Clarence J. Barnum	Alex Calvert	Paul E. Hayes
C. E. Baumgardner	Stanley Carter	John A. Head
Leonard T. Bean	Paul Combs	Harold G. Helm
John D. Beatty	Josh R. Cosby	William K. Henry
Fred Beshear	B. H. Crider	E. R. Hilton
R. O. Blevins	Owen Deering	Ray Holbrook
L. E. Bradley	Thomas R. Duncan	Woodrow W. Hollan
Edward O. Bridgers	R. C. Estepp, Sr.	Chester J. Holsclaw
Thomas L. Britton	Mitchell S. Fannin	W. M. Horn, Jr.

Richard R. Houpt	Jack McPherron	Gus Sheehan, Jr.
Durham W. Howard	Alton Mitchell	Jesse H. Shelton
Maurice G. Howard	Archie R. Moore	Forest Smith
Robert N. Hubbard	Emmett G. Moore	Joseph T. Snapp
Silas Jacobs	Walter R. Moorman	John M. Spaulding
Paul S. Jonas	Fred H. Morgan	Roy Steers
Barkley Jones	C. S. Nabb	Raymond D. Stigall
William Jones	Dr. C. E. Palmore	Mrs. Thelma Stovall
James W. Lambert	James H. Polsgrove	W. R. Stringer
Jesse H. Lawrence	Leonard W. Preston	Egbert V. Taylor
Mrs. J. T. Linton	Hobart Rayburn	M. G. Thompson
Homer E. Losey	Carl J. Ruh	Rev. T. Herbert Tinsley
A. L. (Chick) Love	Amos Runyan	Lyle H. Webb
True Mackey	Dr. Roy Sanders	Ralph N. Walter
Damon Majors	LeRoy Saylor	Morris Weintraub
John Martin	Roy Searcy	Charles W. Wirsch
William T. Marshall	Paul J. Shannon	Harry L. Waterfield
G. Lee McClain	James S. Shaw	

Thereupon the oath of office as required by the Constitution was then administered to each and all of said members by the Honorable James W. Cammack, Judge of the Court of Appeals.

The Chief Clerk then announced that the election of the Speaker of the House of Representatives was in order.

Mr. Hanratty named the Honorable Adron Doran of the County of Graves as a suitable person to fill said office.

Mr. Britton named the Honorable Durham Howard of the County of Bell as a suitable person to fill said office.

There being no further nominations for the office of Speaker of the House of Representatives, the vote being taken thereon resulted as follows, viz:

Those who voted for Adron Doran were—

Bernam Adams	Clarence J. Barnum	L. E. Bradley
Edgar Arnett	C. E. Baumgardner	Edward O. Bridgers
Sidney Baer	Leonard T. Bean	Charles J. Bronston
Walter J. Bailey	Fred Beshear	J. D. Buckman, Jr.

Mrs. Mary Burnett	Durham W. Howard	Amos Runyan
Charles W. Burnley	Robert N. Hubbard	Dr. Roy Sanders
Alex Calvert	Silas Jacobs	Roy Searcy
Stanley Carter	Paul S. Jonas	Paul J. Shannon
Paul Combs	Barkley Jones	Gus Sheehan, Jr.
Josh R. Cosby	William Jones	Jesse H. Shelton
Owen Deering	Mrs. J. T. Linton	Forest Smith
Thomas R. Duncan	A. L. (Chick) Love	Joseph T. Snapp
Mitchell S. Fannin	Harry K. Lowman	John M. Spaulding
Henry C. Hale	True Mackey	Roy Steers
James P. Hanratty	Damon Majors	Raymond D. Stigall
George F. Harris	G. Lee McClain	Mrs. Thelma Stovall
Paul E. Hayes	Jack McPherron	W. R. Stringer
John A. Head	Archie R. Moore	M. G. Thompson
William K. Henry	Walter R. Moorman	Rev. T. Herbert Tinsley
E. R. Hilton	Fred H. Morgan	
Ray Holbrook	C. S. Nabb	Ralph N. Walter
Woodrow W. Hollan	Dr. C. E. Palmore	Morris Weintraub
Chester J. Holsclaw	Leonard W. Preston	Geo. F. Williamson
W. M. Horn, Jr.	W. R. Reasor	Harry L. Waterfield
Richard R. Houpt	Carl J. Ruh	

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Those who voted for Durham Howard were—

Bill Adams	Maurice G. Howard	Hobart Rayburn
John D. Beatty	James W. Lambert	LeRoy Saylor
R. O. Blevins	Jesse H. Lawrence	James S. Shaw
Thomas L. Britton	Homer E. Losey	Egbert V. Taylor
B. H. Crider	John Martin	Lyle H. Webb
R. C. Estepp, Sr.	William T. Marshall	Charles W. Wirsch
C. A. Hammons	Alton Mitchell	Fred M. Warns
Harold G. Helm	Emmett G. Moore	Adron Doran

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The Honorable Adron Doran having received a majority of the votes cast, a majority of all the members elected being present and voting, was declared by the Chief Clerk to be duly elected Speaker of the House of Representatives.

The Chief Clerk appointed Mrs. J. W. Linton, Messrs. Durham Howard, Fred Morgan, Sidney Baer and Dr. Roy Sanders as a committee to inform the Speaker of the action of the House and to escort him to the Chair.

After a time the Committee aforesaid accompanied the Honorable Adron Doran onto the floor of the House where, having taken his place at the Speaker's desk, expressed his appreciation for the honor conferred upon him and announced that he was now ready to take the oath of office, which oath was administered by the Honorable James W. Cammack, Judge of the Court of Appeals.

The Speaker then announced that the next order of business was the election of a Chief Clerk of the House and minor offices to be filled by the House, in accordance with the Constitution.

Thereupon, Mr. Hanratty named the Honorable Ervin Sanders of Pike County as a suitable person for the office of Chief Clerk of the House;

V. A. (Bill) Phillips, Graves County, for Assistant Clerk;

Willie Schneck, Jefferson County, for Enrolling Clerk;

Kash Holbrook, Magoffin County, for Sergeant-at-Arms;

Elza Shires, Kenton County, for Doorkeeper;

Sam Gipe, Daviess County, for Cloakroom Keeper;

Moorlyn Stinger, Muhlenberg County, for Cloakroom Keeper;

Bill Golden, Carroll County, for Janitor;

Judith Ann Moore, McLean County, Page;

Mary Bailey, Bath County, Page;

George D. Henry, Scott County, Page;

Paul Deering, Marion County, Page.

There being no further nominations for said offices, the Speaker directed the Chief Clerk of the House to cast one vote

on behalf of the entire House, for all those parties above named to fill the offices set opposite their names.

Without objection, the Chief Clerk, having cast one vote for the entire House as above directed, declared said parties duly elected to said offices.

Thereupon all of the said officers above named appeared before the bar of the House and took the oath of the office as required by the Constitution and laws of Kentucky, which oath was administered by the Honorable James W. Cammack, Judge of the Court of Appeals.

Mr. Hanratty offered the following resolution, viz:

H. Res. A.

Be it resolved by the House of Representatives of the Commonwealth of Kentucky:

That the rules governing the House of Representatives during the regular session of 1950, be and are hereby adopted as follows:

QUORUM OF HOUSE

Rule 1. Five members of the House shall constitute a quorum for the purpose of adjourning; fifteen members for the purpose of calling a House, of sending for absent members and making an order for their censure and fine; a majority of the members may proceed to business, and the numbers mentioned in this rule shall have power in the absence of the Speaker to elect a Speaker Pro Tem for the purpose above designated.

HOURS OF MEETING AND ADJOURNMENT

Rule 2. The standing hour of each meeting day shall be 1 o'clock P.M. (Central Standard Time), except when the hour of adjournment on the preceding day fixes another hour for the convening of the House of Representatives. The hour of meeting and adjournment of the body shall be governed by the House clock over the main entrance.

ORDER OF BUSINESS

Rule 3. The order of business of each day shall be as follows:

(a) Invocation

(b) Roll Call

(c) Reading of the Journal of the preceding day

(d) Petitions

(e) Motions and resolutions, limited to one-half hour

(f) Introduction of bills

(g) Reports of special and standing committees

(h) Reading of calendar

(i) The Orders of the Day

(j) Announcements

Any business which remains unfinished upon the adjournment of the House shall be the first business when that section is reached on the following day.

MOTIONS

Rule 4. ORDER OF MOTIONS. When a question is under debate, no motion shall be received but—

(a) To fix the time to which the House shall adjourn

(b) Adjourn

(c) To lay on the table

(d) For the previous question

(e) To limit debate

(f) To postpone to a day certain

(g) To commit

(h) To amend

(i) To lay on the Clerk's desk

Which several motions shall have precedence in the order in which they are arranged; and no motion to postpone to a day certain, or to commit being decided shall again be allowed on the same day and at the same stage of the bill of proposition.

RULE 5. UNDEBATABLE MOTIONS

The following motions shall be propounded without debate, except as hereinafter in this rule provided:

(a) Motions to proceed or dispense with the Orders of the Day.

(b) Motion to suspend or dispense with any rule of the House.

(c) Motions to take up business out of its regular order.

(d) Motions to commit or recommit without instruction.

Provided, however, as follows:

First. Upon motion to lay on the table, the author of any measure shall have five (5) minutes in which to explain the measure; and—

Second. Provided further that no explanation of any vote shall be permitted during the call of the "Ayes" and "Nays" upon any undebatable motion.

Rule 6. MOTION TO LAY ON THE TABLE.

The motion to lay on the table when adopted shall prevent any further consideration of the subject matter carried by said bill, motion or resolution unless a person who voted on the prevailing side on said motion moves that the action thereon be reconsidered within three legislative days on which the House is actually in session, and if said motion received a Constitutional majority of the House it shall be carried. After the expiration of three days the motion to lay on the table when adopted shall prevent further consideration of the subject matter carried by said bill, motion or resolution unless by unanimous consent of the House.

RULE 7. MOTION TO LAY ON CLERK'S DESK

The motion to lay on the Clerk's desk in this House shall

have the effect of laying aside the pending question temporarily and when the pending question is laid upon the Clerk's desk it may be taken therefrom at the will of the House, and considered as an original proposition.

RULE 8. MOTION TO ADJOURN

A motion to adjourn shall always be in order except during roll call or pending a motion to fix the time to which the House shall adjourn and shall be decided without debate.

Rule 9. MOTIONS.

(a) Motions in general which are not relevant to pending questions, bills or resolutions shall be made when the fifth order of business, Rule 3 (e), is reached each day.

(b) Motions relating to pending questions, bills or resolutions shall be made when such question, bill or resolution is brought up for consideration according to the rules of the House.

(c) After a motion is made and seconded, it shall be stated by the Speaker or, being in writing, shall be handed to the Chair and read aloud by the Clerk before debate. Every motion shall be reduced to writing if the Speaker or any member so requests.

(d) After a motion is stated by the Speaker or read by the Clerk, it shall be deemed in the possession of the House, but may be withdrawn by the consent of the House at any time before decision or amendment.

(e) The Speaker may state questions sitting, but shall rise to put a question.

Questions shall be distinctly put in this form, viz:

"Gentlemen, you who are of the opinion that (as the question may be) say 'Aye'; you of the contrary 'Nay'."

Rule 10. MOTION TO RECONSIDER

(a) A motion to reconsider any action of the House shall be in order if made in open session on or before the third legislative day on which the House is in session; but such motion shall not be in order after action has been had by the House in con-

sequence of the decision proposed to be reconsidered, or after it has been sent to the Senate or Governor, provided however, the motion is made by a member who voted on the prevailing side.

(b) CLINCHER

If any bill, motion or resolution has been, by vote, carried or lost, and a motion is made to reconsider the vote by which the bill, motion or resolution was carried or lost, and said motion to reconsider is laid upon the table, then no further motion shall be entertained relative to the subject matter carried by said bill, motion or resolution unles such motion is made by a person who voted upon the prevailing side, and in the event such motion receives a constitutional majority of the House of Representatives the same shall be carried. After the expiration of three days no further motion shall be entertained relative to the said bill, motion or resolution unless by unanimous consent of the House.

Rule 11. PREVIOUS QUESTION

The previous question being moved and seconded, the question from the Chair shall be "Shall the Main Question be now put?" A majority of the members elected to the House may order the previous question at any time. The effect of the previous question shall be to bring the House to a direct vote, first on all amendments pending at the time, and then upon the main question.

The ordering of the prevoius question shall put an end to all debate except as follows: Before the vote on an amendment, the proposer of the amendment shall have ten (10) minutes, and the opponents of the amendment shall have ten (10) minutes, and then the proposer of the measure sought to be amended shall have five minutes and before the vote upon the main question, the opponents of the measure shall have thirty (30) minutes, and the proponents of the measure shall have thirty (30) minutes to close the debate. When a measure or an amendment has been proposed by a committee, then the time given to the proposer shall be at the disposal of the chairman of the committee.

Rule 12. MOTION TO LIMIT DEBATE

A motion to limit debate being moved and seconded, the

question from the Chair shall be, "Shall debate be limited?" A majority of the members present may limit debate to the time specified in the motion at any time. The Speaker shall proportion the time each member may speak under the motion to limit debate.

Rule 13. SUSPENSION OF RULES

The standing rules of the House and regular order of business shall not be suspended, amended or interrupted unless by a vote of a majoirty of the duly elected members of the House. Whenever the rules are suspended as above, no subject matter shall be considered under the suspension except the subject matter in whose favor the suspension was invoked and only for that day.

Rule 14. BILLS AND RESOLUTIONS

Members may file copies of bills or resolutions to be introduced at the Clerk's office, at any time. Copies filed shall be in triplicate, each copy signed by the member introducing same. One copy shall be for the permanent files of the Clerk and for the use of the Committee to which said bill shall be referred, one copy for the printer, and one copy for the use of the members of the press. Two hundred (200) copies of each bill shall be the standing printing order, but the Speaker may increase or decrease the number at his discretion.

When introduction of bills is reached in the order of business, the Clerk shall report to the House the number, title and sponsor of each bill filed with him since his last report on introduction of bills.

The Clerk of the House shall upon receipt of any printed bill from the public printer, proof read the same against the original copy and, upon finding any error, shall return the printed bills to the public printer with his signed statement, "Acceptance refused by reason of typographical error."

Rule 15. AMENDMENTS

(a) More than one amendment to any part or section of

any proposition or bill shall not be offered at the same time or entertained by the Speaker.

(b) Each amendment originally pending shall be disposed of before another may be entertained to the same or any other part or section of the main proposition or bill.

(c) All committee amendments shall be disposed of before any other amendment may be offered by a member or entertained by the Speaker. Provided, however, that whenever and wherever blanks are to be filled, the rule above shall yield to general parliamentary law, and provided further, that when a motion or proposition is under consideration, a motion to amend that amendment shall be in order, and it shall be in order to offer a further amendment by way of substitute, but said substitute shall not be voted on until the original matter is perfected.

(d) All committee substitutes shall be printed in like manner as bills and all other substitutes shall be disposed of at the will of the House.

(e) The Clerk shall furnish to members sheets with a proper heading printed in blank upon which amendments shall be written, and all amendments offered shall be on such blanks and bear the name of the member offering the same.

(f) No amendment shall be in order that is not germane to the matter under consideration; and the Speaker when the question is raised, shall rule as to the admissibility of the proposed amendment.

Rule 16. COMMITTEE OF THE WHOLE HOUSE

The House may resolve itself into the Committee of the Whole House on the State of the Commonwealth, and in such Committee of the Whole House, Robert's Rules of Order (Latest Revised Edition) shall govern the proceedings.

Rule 17. DUTIES OF COMMITTEES

(a) When a bill shall have been referred to any committee, it shall be the duty of the Chairman of such committee to submit the bill to the consideration of his committee. A majority of the members shall be present before a bill may be considered. No

bill shall be considered or a report of same determined upon, except when a committee is in session. A committee in reporting a bill to the House shall make its report in writing, and such a report shall be signed by a majority of such committee, but after said majority report has been made, the minority may make its report, which shall also be in writing and signed by the members of the Committee making such report.

(b) Notice of Committee Meetings.

No committee shall make a report on a bill or resolution, unless notice of time and place of the Committee meeting has been announced publicly, and reasonable notice given to all members of the committee of the meeting from which the bill or resolution is reported. This rule shall not apply during the last fifteen (15) days of the legislative session as stated in Rule 23.

(c) Before a bill is given its third reading in the House, the Clerk shall submit the bill to the Statutes Revision Commission and secure the Commission's stamp of approval as to form and mechanics.

Rule 18.

Whenever any member of the House believes that any committee has held a bill or resolution for any unreasonable time, the same may be called up by the author of said bill and be considered by the House and, if a constitutional majority favors the placing of said bill in the calendar, it shall be so ordered. The Speaker shall permit bills to be called up only during the regular motion hour.

GENERAL PROCEDURE

Rule 19. (a) FIRST READING

Upon the favorable report of a bill or resolution by any committee, the Clerk shall report the same in full, which shall be considered the first reading of the bill or joint resolution, and shall be so entered upon the Journal.

(b) BILLS REPORTED WITHOUT EXPRESSION

Upon report of a bill or resolution by a committee without

expression of opinion, the bill or resolution may be read into the calendar on a constitutional majority vote of the members. If said bill fails to be read into the calendar, a motion will be in order for the Speaker to re-refer said bill to a committee and said motion, if carried by a constitutional majority, shall prevail and the Speaker shall re-refer said bill to a committee for its action.

UNFAVORABLE EXPRESSION. Whenver any committee shall report to the House a bill with the expression that it should not pass, said bill shall not be entitled to a reading unless it is ordered by a majority vote of the members elected.

On the question of reading a bill into the calendar that has been reported without expression of opinion, or with an unfavorable expression of opinion, no debate shall be allowed, except that the originator of the bill, or any one indicated by him, shall have ten (10) minutes in which to explain the bill and the opposition shall have a like time in which to explain the opponents' objections to the bill. If said bill shall be ordered to a reading, it shall be read the first time and placed in the Calendar.

MAJORITY REQUIRED. In all cases where a constitutional majority is required for the passage of a bill, it shall mean in this House that a constitutional majority be required to consider the bill whether called up, reported with a favorable, unfavorable, or without expression of opinion.

Rule 20. ENROLLMENT COMMITTEE

The Committee on Enrollment and the Clerk of the Senate may report any time, except during Roll Call.

Rule 21. CALENDAR

When a bill has had its first reading, it shall be placed by the Clerk on a calendar to be kept by him, and said calendar shall be separate from the bills in the Orders of the Day.

Rule 22. ORDERS OF THE DAY

When a bill has been read a second time, it shall be placed in the Orders of the Day or recommitted and when next reached in the House, it shall be ready for amendment, recommitment, or debate, or to be read a third time and placed upon its passage.

A bill may be recommitted at any time before final passage. No bill shall be placed upon its final passage during the last day of the session except bills in possession of Conference Committees, Senate bills or House bills which have been amended by the Senate.

Rule 23. RULES COMMITTEE

No bill shall be considered by the House during the last fifteen (15) legislative days of the 1950 Regular Session except upon the recommendation or report of the Rules Committee.

During the time hereinabove provided, the Rules Committee shall be authorized to call from the other committees any bill or resolution in their hands and may have them advanced to the reading to which the bills may be entitled; provided, however, that for the first ten days thereof, the said Committee shall cause to be posted on the day prior thereto a list of bills and resolutions which are to be called, but said committee may withdraw from said list any bills or resolutions so posted.

If and when the time be fixed for the sine die adjournment of the 1950 regular session of the General Assembly, the "last fifteen legislative days" as hereinabove provided shall be held and construed to mean the last fifteen legislative days next prior to the time so fixed for the sine die adjournment. If the resolution be adopted for sine die adjournment within fifteen days of the time fixed for such adjournment, "then the Rules Committee shall take charge for such lesser number of days as may remain from the time such resolution for sine die adjournment is adopted and the time fixed for such adjournment."

Rule 24. STANDING COMMITTEE

The following shall be and constitute the standing committees of the House of Representatives, and each committee shall be composed of not less than five members, except the Committee on Rules, which shall consist of not less than eighteen (18) members nor more than thirty-one (31) members. The Speaker shall be Chairman of the Rules Committee.

Agriculture No. 1

Agriculture No. 2

Air Transportation

Alcoholic Liquor Control No. 1

Alcoholic Liquor Control No. 2

Alcoholic Liquor Control No. 3

Appropriations

Banks and Banking

Charities and Penal Institutions

Cities of the First Class

Cities of the Second Class

Cities of the Third Class

Cities of the Fourth Class

Cities of the Fifth Class

Cities of the Sixth Class

Claims

Codes of Practice

Compensation for Industrial Injuries

Conservation

Constitutional Amendments

Courts

Criminal Law

Education No. 1

Education No. 2

Enrollment

Fish and Game

Forestry

Insurance, Fire and Marine

Insurance, Life and Casualty

Judicial Council

Juvenile Courts and Children's Homes
Kentucky Statutes No. 1
Kentucky Statutes No. 2
Labor
Legislative Research
Library and Historical Records
Memorials and Resolutions
Military Affairs
Mines and Mining
Motor Transportation No. 1
Motor Transportation No. 2
National Parks
Natural Resources
Oils and Minerals
Printing
Public Bridges and Ferries
Public Ditches
Public Health
Public Utilities No. 1
Public Utilities No. 2
Publicity and Tourist Attractions
Railroad Transportation
Research and Farm Marketing
Revenue and Taxation No. 1
Revenue and Taxation No. 2
Roads and Highways
Rural Roads No. 1
Rural Roads No. 2

Rules

Social Security

Soil Conservation and Erosion

State Fair

State Parks

State Properties

State University

Suffrage and Elections

Teachers' Colleges

Trade and Commerce

Tuberculosis

Veterans' Legislation

Ways and Means

It shall not be competent for the House, by vote or otherwise, to add any one to the membership of either or any of said committees, but the Speaker shall have full power to fill vacancies.

Rule 25. VOTING

(a) No member shall vote on any question in which he is directly or indirectly interested, or on any question unless he was in the bar of the House before the result was announced.

(b) Every member in the House, when a question is put, or who is present before the results are announced, shall vote unless excused by the House; and all motions to excuse a member from voing shall be made before the House divides or before the call of the yeas and nays is commenced; and the motion or question to excuse a member shall be decided without debate, and in no event shall any member be excused from voting on a motion to excuse another member from voting. But this rule shall not apply to the Speaker whose name shall not be called except upon his own request and then only at the end of the roll call and before the result is announced, but in all cases of a

tie, the Speaker shall vote. The majority and the minority floor leaders shall not be required to vote on the question of reading a bill into the calendar that has been called up by any member.

(c) Before a vote shall be counted, the member casting it shall be either at his seat or visibly approaching it.

(d) All pairs announced in the House shall be entered on the Journal.

(e) Calls of Yeas and Nays. Upon a call of yeas and nays on any question, the names of the members shall be called alphabetically, which shall be made at any time when a division or a count may be had, and upon the completion of any roll call, the Speaker shall, upon the request of any member, order the Clerk to call the absentees once.

(f) Call of the House. Upon a call of the House, the door shall not be shut against any member until his name is called twice and then absentees shall be noted by the Clerk and fined one dollar unless excused by the House.

GENERAL PROVISIONS

Rule 26. When a member is about to speak in debate or deliver any matter to the House, he shall rise from his seat and respectfully address the Speaker of the House as "Mr. Speaker," but shall not proceed until recognized by the Speaker as the member from_____.

Rule 27. No member shall speak more than twice on the same question without leave of the House, and he shall not speak more than once until every member of the House desiring to speak has spoken. No member shall be allowed to speak more than one-half hour in the aggregate, at the end of which period, or any portion thereof, the floor is returned to the Speaker.

Rule 28. While the Speaker is putting any question, or addressing the House, no one shall walk about the House, or leave; neither in such case, nor when a member is speaking, shall any one talk or pass between the Chair and the member who is speaking. No member shall in debate name another member.

Rule 29. Any proposed alteration, change or amendment of the Rules shall, before a vote thereon is taken, be referred by the Speaker to a committee and the proposal shall be considered by the committee and reported in the same manner as bills and resolutions and before any alteration, change or amendment shall be adopted, a majority of the duly elected members of the House must vote in favor thereof.

In all cases where general parliamentary law provides for the rule of two-thirds, it shall mean in this House, a constitutional majority of the members of this House.

Rule 30. PERSONS ENTITLED TO THE FLOOR

No person shall be permitted upon the floor except the Governor, his immediate family, his secretary, members and officers of the State Senate; members of the immediate families of Legislators, and members and commissioners of the Court of Appeals. Bona fide newspaper correspondents, designated as such in writing by the daily newspaper or press service they represent; those newspaper correspondents who are working members of the Capital Press Club and approved by the Speaker shall be admitted to the privileges of the floor. Such newspaper correspondents when admitted to the privileges of the floor shall be governed by the rules of this House. Newspaper correspondents and members of the legislators' families shall be assigned by the Speaker to a section especially set aside for them.

By the direction of the Speaker, the Sergeant-at-Arms shall reserve two (2) sections in the galleries to be used by such persons as members of the House may request. Admission to the reserved seats shall be provided by passes issued by the members of the House.

No person other than those entitled to be upon the floor of the House shall be permitted on the floor of the House from thirty (30) minutes prior to the time set for convening until after the House shall have adjourned.

Rule 31. LOBBYING

No person shall engage in lobbying for or against any measure while the House is in session, during recess or thirty (30)

minutes prior to the schedule of convening on the floor, in any of the corridors or passages, or in any of the rooms in the part of the Capitol assigned to the use of the House; provided, however, this rule shall not be construed to prohibit the use of corridors or passages in going to and from the House galleries by any persons.

Rule 32. On all questions not provided for in the foregoing rules, the House shall be governed by the provisions of Robert's Rules of Order (latest revised edition).

Rule 33. The Speaker may, in his discretion, refer any resolution to a committee for consideration and a report.

Rule 34. THE POWERS AND DUTIES OF THE SPEAKER

(a) The Speaker shall take the chair every day at the hour to which the House adjourned on the preceding day; he shall immediately call the members to order, and, a quorum being present, shall proceed with the order of business.

(b) He shall preserve decorum and order, and in case of disturbance or disorderly conduct in the gallery or lobbies, may cause the same to be cleared. In case of extreme disorder or confusion in the House, in the gallery, or in the lobbies such as renders it difficult or impossible to transact business in an orderly manner, the Speaker may declare a recess or an adjournment of the sitting.

(c) He shall have general control, except as provided by rule of law, of the hall of the House and of the corridors and passages, and of all rooms in that part of the Capitol assigned to the use of the House.

(d) He may speak to points of order in preference to other members, rising from the Chair for that purpose.

(e) He shall decide questions of order subject to an appeal to the House on request of any two members, and the members appealing shall reduce the appeal to writing.

(f) The Speaker shall have supervision over all officers and employees of the House, and shall direct them as to their duties,

and upon failure of any such official to perform such duties, the Speaker shall have power to order deductions from the pay of such offender, not to exceed the per diem of such official or employee for each offense. Such amount shall be entered upon the Journal and deducted from the compensation due such offender.

(g) The standing committees of the House, herein named, and all other committees, shall be appointed by the Speaker.

(h) If the Speaker be in doubt as to the result of a vote, and a divison be called for, the House shall divide; those in the affirmative of the question shall rise from their seats and, afterwards, those in the negative. If the Speaker be still in doubt, and a count be requested, the Speaker shall name two members, one from each side, who with the Clerk shall count those in the affirmative and the negative; which being reported, he shall rise and state the decision of the House; provided, however, that such decision or count shall not be allowed after the House shall have proceeded to other business.

(i) The Speaker shall have the right to name any member to perform the duties of the Chair, but such Speaker pro tem shall not be empowered to act beyond a period of five days.

(j) If any member, in speaking or otherwise, transgress the rules of the House, the Speaker shall, or any member may through the Speaker, call the offender to order; and the member called to order shall immediately sit down unless permitted to explain, and should the member fail to comply with the order of the Speaker, then the Speaker shall direct the Sergeant-at-Arms to require such member to take his seat or direct the Sergeant-at-Arms to remove such member from the House for the remainder of the day.

(k) When two or more members arise at once, the Speaker shall name the member who is the first to speak.

(l) Whenever any bill or resolution carrying the force and effect of a bill is introduced, the Speaker of the House shall refer the same to a proper committee within five (5) days thereafter, and the day of introduction shall be counted as one of the days. In the event the Speaker fails to comply with this rule, the author of said bill may, at motion hour, move that such bill

be referred to a committee, provided he makes said motion within three (3) days after the Speaker fails to refer said bill within the five (5) day period. If said motion is carried by a majority of the members then present, said bill shall be automatically referred to the committee requested by the member making such motion.

Rule 35. DUTIES OF THE CLERK

(a) The Clerk shall have charge and supervision of all the clerical business of the House. He shall perform the duties imposed on him by law and the rules of the House. He shall have charge of the Clerk's desk and shall see that no one is permitted therein except himself and those assisting him.

(b) It shall be the Clerk's duty to read to the House all papers ordered to be read; to call the roll and note and report the absentees, when a call of the House is ordered; to call the roll and note the answers of members, when a question is taken by "yeas" and "nays"; to assist, under the direction of the Speaker, in taking the count when any vote of the House is taken; to notify committees of their appointment and the business referred to them; to superintend the execution of all printing ordered by the Houses and to report to the Speaker, to be submitted to the House, every failure of the printer to execute the same properly and promptly.

He shall attest all writs, warrants and subpoenas issued by order of the House and shall certify to the passage of all bills, and to the adoption of all resolutions by the House. In addition to his other duties, the Clerk shall keep the accounts for pay and mileage of members, officers and attaches, for printing and other contingent expenses of the House, and prepare and sign warrants or requisitions for the same.

The Clerk shall superintend the recording of the Journal of the proceedings, and engrossing and enrolling of bills, and shall cause to be kept and prepared for the printer, the Daily Journal of the proceedings of the House.

(c) The Clerk shall have the custody of all records and papers of the House, and shall not allow them to be taken from the table or out of his possession without the leave of the House,

unless to be delivered to the chairman of a committee to which they may have been referred, to the Senate, or to the Governor, and then he shall take a proper receipt therefor. He shall endorse on bills and papers brief notes of proceedings had thereon by the House and preserve the same in convenient files.

(d) Register of bills. The Clerk shall keep a register of all bills introduced in the House of Representatives or transmitted for concurrence from the Senate in which shall be recorded, under appropriate heads, the progress of such bills from the date of their introduction to the time of their transmission, if House Bills, to the Governor; or if Senate bills, their return to the Senate.

(e) When engrossing a bill, the Chief Clerk may incorporate amendments by means of handwriting or typing. When an amendment strikes out any part of the original, it shall be indicated in the engrossed copy by two parallel lines over the parts to be stricken out, in such a way as not to render illegible the original words. House amendments shall be indicated in red. The color shall be indicated by the writing itself in case of handwriting and by notations in the margin in case where typing is used. The signature of the Clerk in the margin shall accompany all amendments.

The Clerk shall not engross Senate bills but shall attach amendments adopted thereto and report the same with the bill to the Senate.

(f) Bills to be preserved. When the enrolled copy of a House Bill or resolution, signed by the presiding officer of each House, is returned to the Chief Clerk, he shall immediately attest it and deliver it to the Governor or his Secretary. The Clerk shall file together the original copy in the form when introduced and a copy in the form as finally passed in the permanent files of his office.

(g) Printed bills after the Session. When the Chief Clerk has finished his work at the Capitol, after a session of the General Assembly, he shall transmit to the State Librarian the unused printed copies of bills in his possession. Before transmittal, he shall, upon the face of printed bills which passed and were not amended, stamp the following words—"Became a law." Upon the face of printed copies which passed with amendment he

shall stamp the words—"Became a law with amendments." Upon other copies he shall stamp the words—"Failed to pass." The State Librarian is directed to distribute these bills upon request of any interested person.

(h) If a typographical error is found in a bill before same is printed, the sponsor may correct the error provided the Chief Clerk shall make a notation of such correction in the margin nearby.

Rule 36. DUTIES OF THE ENROLLING CLERK

The Enrolling Clerk of the House shall take charge of all House Bills as soon as they are reported back to the House and ready to be enrolled. A register, by number and title, shall be kept in a suitable record book of all bills passed by both Houses, attesting fact and date of passage. A printed copy upon safety paper, in the exact form as finally passed, shall be certified to by the Enrolling Clerk and delivered to the Committee on Enrollment. In cases of extreme emergency, where no correct printed copy is available, the enrolled copy may be in long hand. When signed by the Speaker of the House, the Enrolling Clerk shall deliver them at once to the Senate to such committee as may be authorized to receive them in that body.

The Enrolling Clerk of the House is authorized to correct the enrolled copy on safety paper to make it conform with the original copy of the bill as amended by means of either typing or handwriting, provided the correction is made with red ink or red type and initialed by the Enrolling Clerk in handwriting in the margin near where said correction occurs.

Rule 37. DUTIES OF THE SERGEANT-AT-ARMS

At least thirty minutes before the hour of convening each day the Sergeant-at-Arms shall clear the floor of the House Chamber of all persons not entitled to the floor, and five minutes before the hour of convening shall announce in a loud and distinct voice, "All persons not entitled to the floor of the House under the rules thereof will now vacate the House Chamber." He shall then compel each and every person then in the House Chamber, who is not entitled to remain therein, to vacate.

He shall enforce the orders of the House and the Speaker in preserving order. If persons not entitled to be in the House, shall come upon the floor, it shall be his duty to remove them; and the Sergeant-at-Arms is empowered to deputize as many assistant Sergeant-at-Arms as he may deem necessary to carry out the orders of the Speaker. All fines levied under the rules of the House shall be collected by the Sergeant-at-Arms and conveyed to the State Treasury.

Rule 38. DUTIES OF OTHER OFFICERS

The duties of Doorkeepers, Cloakroom Keepers, Janitors and other officials or employees of the House shall be such as provided by law and as designated by the Speaker. All employees and officers of the House shall, unless excused by the Speaker, or unless confined as a result of illness, report to the Sergeant-at-Arms, or an assistant who may be designated by him, each legislative day forty-five minutes prior to the hour of convening, and in the event such employee or officer is absent without the consent of the Speaker, or without being confined as a result of illness, the Speaker shall direct the Chief Clerk of the House to deduct from such officer's or employee's pay the per diem which said officer or employee would have been entitled to for such period of absence.

The provision of this rule shall not apply to any of the employees assigned to the Chief Clerk of the House or to the assistant to the Speaker. The Chief Clerk shall designate the hours of work of the employees assigned to his office, and the Speaker shall designate the hours of work of the assistant to the Speaker.

Mr. Hanratty moved the Previous Question.

Mr. Preston moved that said resolution be made a Special Order of the Day for Tuesday, January 10, 1950, at 2 o'clock, p.m.

The yeas and nays being required on the motion made by Mr. Preston by Mr. Waterfield and Mr. Preston were as follows, viz:

Those who voted in the affirmative were—

Bill Adams	John A. Head	Archie R. Moore
Walter J. Bailey	Harold G. Helm	Emmett G. Moore
John D. Beatty	E. R. Hilton	Dr. C. E. Palmore
R. O. Blevins	D. W. Howard	L. W. Preston
L. E. Bradley	M. G. Howard	LeRoy Saylor
Thomas L. Britton	James W. Lambert	James S. Shaw
Stanley Carter	Jesse H. Lawrence	Roy Steers
Josh R. Cosby	Homer E. Losey	Egbert V. Taylor
B. H. Crider	John Martin	Lyle H. Webb
R. C. Estepp, Sr.	W. T. Marshall	Morris Weintraub
Henry C. Hale	Jack McPherron	Chas. W. Wirsch
C. A. Hammons	Alton Mitchell	Harry Lee Waterfield

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Those who voted in the negative were—

Bernam Adams	Ray Holbrook	W. R. Reason
Edgar Arnett	W. W. Hollan	Carl J. Ruh
Sidney Baer	C. J. Holsclaw	Amos Runyan
C. J. Barnum	W. M. Horn, Jr.	Dr. Roy Sanders
C. E. Baumgardner	Richard R. Houpt	Roy Searcy
Leonard T. Bean	Robt. N. Hubbard	Paul J. Shannon
Fred Beshear	Silas Jacobs	Gus Sheehan, Jr.
Edw. O. Bridgers	Paul S. Jonas	Jesse H. Shelton
Chas. J. Bronston	Barkley Jones	Forest Smith
J. D. Buckman, Jr.	Mrs. J. T. Linton	Joseph T. Snapp
Mrs. Mary Burnett	A. L. (Chick) Love	John M. Spaulding
Chas. W. Burnley	Harry K. Lowman	Raymond D. Stigall
Alex Calvert	True Mackey	Mrs. Thelma Stovall
Paul Combs	Damon Major	W. R. Stringer
Owen Deering	G. Lee McLain	M. G. Thompson
Thos. R. Duncan	W. R. Moorman	Rev. T. H. Tinsley
Mitchell S. Fannin	C. S. Nabb	Ralph N. Walter
James P. Hanratty	Jas. H. Polsgrove	George F. Wiliamson
Paul E. Hayes	Hobart Rayburn	Fred M. Warns
William K. Henry		

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Thereupon, the motion made by Mr. Preston was disagreed to.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

The yeas and nays taken thereon were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	Fred H. Morgan
Edgar Arnett	Paul E. Hayes	C. S. Nabb
Sidney Baer	John A. Head	James H. Polsgrove
Walter J. Bailey	William K. Henry	W. R. Reasor
C. J. Barnum	E. R. Hilton	Carl J. Ruh
C. E. Baumgardner	Ray Holbrook	Amos Runyan
Leonard T. Bean	W. W. Hollan	Dr. Roy Sanders
Fred Beshear	Chester J. Holsclaw	Roy Searcy
L. E. Bradley	W. M. Horn, Jr.	Paul J. Shannon
Edw. O. Bridgers	Richard R. Houpt	Gus Sheehan, Jr.
Chas. J. Bronston	Robt. N. Hubbard	Jesse H. Shelton
J. D. Buckman, Jr.	Silas Jacobs	Forest Smith
Mrs. Mary Burnett	Paul S. Jonas	Joseph T. Snapp
Chas. W. Burnley	Barkley Jones	John M. Spaulding
Alex Calvert	William Jones	Raymond D. Stigall
Stanley Carter	Mrs. J. T. Linton	Mrs. Thelma Stovall
Paul Combs	Harry K. Lowman	W. R. Stringer
Josh R. Cosby	True Mackey	M. G. Thompson
Owen Deering	Damon Mayors	Rev. T. H. Tinsley
Thos. R. Duncan	G. Lee McLain	Ralph N. Walter
Mitchell S. Fannin	Archie R. Moore	G. F. Williamson
James P. Hanratty	W. R. Moorman	—65

Those who voted in the negative were—

Bill Adams	Maurice G. Howard	Hobart Rayburn
John D. Beatty	James W. Lambert	LeRoy Saylor
R. O. Blevins	Homer E. Losey	James S. Shaw
Thomas L. Britton	John Martin	Egbert V. Taylor
B. H. Crider	Wm. T. Marshall	Lyle H. Webb
R. C. Estepp, Sr.	Jack McPherron	Morris Weintraub
Henry C. Hale	Alton Mitchell	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	Fred M. Warns
Harold G. Helm	Dr. C. E. Palmore	Harry Lee Waterfield
Durham W. Howard	Leonard W. Preston	—29

Mr. Hanratty moved that the House do now adopt said resolution.

The yeas and nays being taken thereon were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	William K. Henry	Hobart Rayburn
Edgar Arnett	E. R. Hilton	W. R. Reasor
Sidney Baer	Ray Holbrook	Carl J. Ruh
Walter J. Bailey	W. W. Hollan	Amos Runyan
Clarence J. Barnum	Chester J. Holsclaw	Dr. Roy Sanders
C. E. Baumgardner	W. M. Horn, Jr.	Roy Searcy
Leonard T. Bean	Richard R. Houpt	Paul J. Shannon
Fred Beshear	Robt. N. Hubbard	Gus Sheehan, Jr.
L. E. Bradley	Silas Jacobs	Jesse H. Shelton
Edw. O. Bridgers	Paul S. Jonas	Forest Smith
Chas. J. Bronston	Barkley Jones	Joseph T. Snapp
J. D. Buckman, Jr.	William Jones	John M. Spaulding
Mrs. Mary Burnett	Mrs. J. T. Linton	Roy Steers
Chas. W. Burnley	A. L. (Chick) Love	Raymond D. Stigall
Alex Calvert	Harry K. Lowman	Mrs. Thelma Stovall
Paul Combs	True Mackey	W. R. Stringer
Josh R. Cosby	Damon Majors	M. G. Thompson
Owen Deering	G. Lee McLain	Rev. T. H. Tinsley
Thomas R. Duncan	Archie R. Moore	Ralph N. Walter
Mitchell S. Fannin	W. R. Moorman	Geo. F. Williamson
James P. Hanratty	Fred H. Morgan	Fred M. Warns
George F. Harris	C. S. Nabb	Adron Doran,
Paul E. Hayes	James H. Polsgrove	Speaker
John A. Head		

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Those who voted in the negative were—

Bill Adams	Durham W. Howard	Dr. C. E. Palmore
John D. Beaty	Maurice G. Howard	Leonard W. Preston
R. O. Blevins	James W. Lambert	LeRoy Saylor
Thomas L. Britton	Jesse H. Lawrence	James S. Shaw
Stanley Carter	Homer E. Losey	Egbert V. Taylor
B. H. Crider	John Martin	Lyle H. Webb
R. C. Estepp, Sr.	William T. Marshall	Moris Weintraub
Henry C. Hale	Jack McPherron	Charles W. Wirsch
C. A. Hammons	Alton Mitchell	Harry Lee Waterfield
Harold G. Helm	Emmett G. Moore	

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Said motion was agreed to, and

Thereupon said resolution was adopted.

Mr. Hanratty offered the following resolution, viz:

H. Res. B. A RESOLUTION empowering the Speaker of the House to employ assistants for the House.

Be it resolved by the House of Representatives of the Commonwealth of Kentucky:

That the Speaker be empowered to employ such assistants in and about he House Chamber during this Session of the General Assembly as to him appears necessary and as he deems advisable under the provisions of KRS 6.230.

Said resolution was then adopted.

Mr. Hanrattay offered the following resolution, viz:

H. Res. C. A RESOLUTION authorizing apointment of a committee of the House to wait upon the Senate and the Governor.

Be it resolved by the House of Representatives of the General Assembly of the Comonwealth of Kentucky:

That a Committee of this House be appointed by the Speaker to wait upon the Senate and notify that body that this House is now organized and ready to proceed to the transaction of business and that said committee shall, in conjunction with a like committee to be appointed from the Senate, wait upon the Governor and inform him that the General Assembly is now organized and ready to receive any communication he may desire to deliver.

Said resolution was then adopted.

Thereupon the Speaker appointed the following as members constituting said Committee:

Mrs. J. T. Linton

Mrs. Mary E. Burnet

Mrs. Thelma Stovall

Mitchell S. Fannin

Barkley Jones

Durham W. Howard

Mr. Hanratty offered the following resolution, viz:

H. Res. D. A RESOLUTION relating to extending an invitation to the pastors of Frankfort churches to open sessions of the House of Representatives with prayer.

Be it resolved by the House of Representatives of the Commonwealth of Kentucky:

That the Sergeant-at-Arms be directed to invite the pastors of the various churches to attend the meetings of this House and open the sessions thereof with prayer.

Said resolution was then adopted.

Mr. Hanratty offered the following resolution, viz:

H. Res. E. A RESOLUTION providing for committee rooms.

Re it resolved by the House of Representatives of the Commonwealth of Kentucky:

That the Speaker be empowered to appoint a committee to arrange for committee rooms for the meetings of the various committees of the 1950 Session of the House of Representatives.

Said resolution was then adopted.

Resolutions of the following titles were introduced, viz:

By Mr. Hanratty.

H. Res. No. 1. A JOINT RESOLUTION appropriating the sum of Fifteen Hundred Dollars ($1,500.00) for a contingent fund for the Clerk of the Senate, and appropriating the sum of Fifteen Hundred Dollars ($1,500.00) for a contingent fund for the Clerk of the House.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That for the purpose of paying such expenses as the Chief Clerk of the Senate of Kentucky is directed to incur by the Senate of Kentucky, there is set aside out of the appropriation made by Chapter two (2) of the Acts of 1948 for legislative sessions as a contingent fund, the sum of Fifteen Hundred ($1,500.00) Dollars, and for the purpose of paying the expenses incurred by the Chief Clerk of the House of Representatives, under the direction of the House of Representatives, of the Commonwealth of Kentucky, there is hereby set aside out of the appropriation made by Chapter two (2) of the Acts of 1948 for legislative sessions as a contingent fund, the sum of Fifteen Hundred ($1,500.00) Dollars. Said respective funds, shall be paid out on warrant of the Department of Finance on requisition of the Chief Clerks of the Senate and of the House of Representatives.

WHEREAS, it is necessary that these contingent funds for the Chief Clerks of the Senate and House of Representatives be immediately available, an emergency is hereby declared to exist and this Resolution shall be effective from and after its passage and approval by the Governor of the Commonwealth of Kentucky.

H. Res. No. 2. A JOINT RESOLUTION appropriating additional compensation for officers and employees of the House and Senate, and declaring an emergency.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That there is hereby appropriated from the Legislative Session Fund as additional compensation for the following officers and employees of the Senate and House of Representatives:

Assistant Clerk

Enrolling Clerk

Sergeant-at-Arms

Doorkeeper

Cloakroom Keepers (2)

Janitor

Pages (4)

to that compensation as provided for in KRS 6.230, the sum of Two Hundred and Fifty Dollars ($250.00) per diem, for each body, for the duration the 1950 Regular Session.

That the aforesaid amount shall be prorated among the aforenamed constitutional officers and employees, according to the per diem set forth in KRS 6.230, and shall be by the Department of Finance charged to the account of the aforenamed officers and employees of the Senate and the House of Representatives on this basis.

That the Chief Clerk of the Senate and the Chief Clerk of the House of Representatives are directed to issue vouchers to the Commissioner of Finance, who shall draw his warrant in favor of the Chief Clerk of the Senate and the Chief Clerk of the House of Representatives for the abovenamed amounts, and that Chief Clerk of the Senate and the Chief Clerk of the House of Representatives are further directed to distribute the additional compensation to the above mentioned officers and employees as provided in KRS 6.230.

Bills of the following titles were introduced, viz:

By Mr. Maurice G. Howard.

H. B. No. 1. AN ACT amending Section 29.390 of the Kentucky Revised Statutes, relating to the compensation of jurors.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 29.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) Grand jurors and petit jurors in circuit court shall each be paid five dollars per day for jury service. Persons whose names are on the jury list for jury service in circuit court, or are summoned under KRS 29.280 to supply a deficiency, who appear in person in court in response to summons, who reside outside the corporate limits of the city in which the court sits, and who do not claim exemption or ask to be relieved from jury service, shall receive five dollars per day for each day they are required to be and are in attendance, even though they are not sworn or accepted for jury service.

(2) When kept together over night in custody of the sheriff, petit jurors shall receive one dollar additional for each night they are kept together.

(3) In courts inferior to the circuit court each juror shall be paid fifty cents for each case in which he serves.

By Mr. Wirsch.

H. B. No. 2. AN ACT entitled an act making the stealing of licensed dogs a misdemeanor and fixing a punishment therefor.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

That any person or persons stealing a licensed dog in the Commonwealth of Kentucky, shall be guilty of a Misdemeanor and be punished upon conviction thereof by confinement in jail for a period of not less than one (1) month nor more than twelve (12) months.

All acts or parts of acts in conflict herewith are hereby repealed.

By Messrs. Wirsch, Burnley and Weintraub.

H. B. No. 3. AN ACT relating to elections, with particular relation to the compensation of election officers.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 116.140 of the Kentucky Revised Statutes is amended to read as follows:

The judges, clerk and sheriff of election shall receive from three to eight dollars each for each election in which they serve, including elections to fill vacancies, to be paid by the county, the exact amount of compensation to be fixed by the fiscal court. For delivering election returns the sheriff and the judge of the opposite party from the sheriff shall receive in addition eight cents for each mile necessarily traveled from the place of voting to and from the place of delivery, to be paid by the county.

By Mr. Runyan and Dr. Roy Sanders.

H. B. No. 4. AN ACT relating to representative districts, with particular relation to the ninety-fifth district.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The introductory phrase and subsection (95) of Section 6.030 of the Kentucky Revised Statutes are amended to read as follows:

Kentucky is divided into the following representative districts:

(95) Ninety-Fifth District. That part of the County of Pike which embraces Magisterial District No. 5, Magisterial District No. 6, and Magisterial District No. 7, and the following precincts in Magisterial District No. 1: Coal Run No. 15, Hurrican No. 41, Cow Pen No. 47, Ratliffs Creek No. 81, North Pike (City) No. 56, Lower Chloe No. 59, Keel Precinct No. 99.

By Mr. Burnley.

H. B. No. 5. AN ACT appropriating money out of the

General Expenditure Fund in the State Treasury for the current fiscal year, for the purpose of supplementing the salaries of teachers in common schools.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is hereby appropriated out of the unappropriated surplus in the General Expenditure Fund in the State Treasury as of the effective date of this Act, the sum of $3,000.000.00 for the purpose of supplementing the salaries of teachers employed in the public elementary and secondary schools of Kentucky for the school year beginning July 1, 1949 and ending June 30, 1950. The sum so appropriated shall be distributed to each school district by the Superintendent of Public Instructions as a supplement to the Common School Per Capita Fund appropriated in paragraph (g) of Item 19 Part One of Chapter 2 of the Acts of 1948, the distribution to be in accordance with the law governing distribution of the Common School Per Capita Fund.

Section 2. In making the distribution the Superintendent of Public Instruction shall use the official census figure for the state and for each school district used in the distribution of the Common School Per Capita Fund for the 1949-1950 school year.

Section 3. The funds received by each board of education from this appropriation shall be so applied that each teacher of the district shall receive the same amount of increase on the monthly basal salary schedule for the school year 1949-1950.

Section 4. The appropriation provided herein shall be exempt from all provisions of the law relating to teacher retirement, as set forth in Chapter 161 of the Kentucky Revised Statutes.

Section 5. "Teacher," as used in this Act, shall mean classroom teachers, principals, supervisors, or other certificated employes included in the official salary schedule as adopted by the school district and approved by the State Board of Education for the 1949-1950 school year.

Section 6. WHEREAS the funds appropriated by this Act are intended to supplement the salary of teachers for the school year 1949-1950, and economic conditions are such as to require immediate relief of this character for such teachers, and

WHEREAS if the effective date of this Act is delayed, many of the school terms will end before the funds can be distributed as required by this Act.

NOW, THEREFORE,

An emergency is declared to exist and this Act shall become effective upon its passage and approval by the Governor.

By Mr. Runyan.

H. B. No. 6. AN ACT amending Section 29.390 of the Kentucky Revised Statutes, relating to the compensation of jurors.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 29.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) Grand jurors and petit jurors in circuit court shall each be paid five dollars per day for jury service. Persons whose names are on the jury list for jury service in circuit court, or are summoned under KRS 29.280 to supply a deficiency, who appear in person in court to response to summons, who reside outside the corporate limits of the city in which the court sits, and who do not claim exemption or ask to be relieved from jury service, shall receive five dollars per day for each day they are required to be and are in attendance, even though they are not sworn or accepted for jury service.

(2) When kept together over night in custody of the sheriff, petit jurors shall receive one dollar additional for each night they are kept together.

(3) In courts inferior to the circuit court each juror shall be paid fifty cents for each case in which he serves.

By Mr. Polsgrove.

H. B. No. 7. AN ACT relating to the loitering or remaining of minors in premises where alcoholic beverages are sold; prohibiting certain actions and conduct by licensees, parents and guardians, and imposing penalties.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No person holding a license to sell distilled spirits or malt beverages shall permit a minor sixteen years of age or younger to remain or loiter inside his licensed premises during business hours.

Section 2. No adult parent or other person acting as guardian of a minor of sixteen years of age or younger shall bring or induce any such minor to remain or loiter inside premises licensed for the sale of distilled spirits or malt beverages.

Section 3. Any person who violates any provision of this Act shall be imprisoned in the county jail for not more than thirty days or fined not more than $100, or both.

By Mr. Burnley.

H. B. No. 8. AN ACT relating to the teaching of first aid in high schools and junior high schools of the public school system.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

§ 1. Instructions on first aid shall be given in all high schools and junior high schools of the public school system. It shall be the duty of the superintendent and principal of every school to have presented for a period of thirty minutes to the entire student body in assembly, at least on two occasions each term

or semester by an appropriate program, the fundamental principles and practical application of first aid.

§ 2. The failure of any superintendent, principal or teacher to comply with the terms of this section shall be deemed a cause for the revocation of his contract of employment, and upon notice to the board of education employing such superintendent, principal or teacher that he has failed to do so it shall be the duty of the said board to conduct a hearing and if the charge be proved to discharge such superintendent, principal or teacher.

§ 3. There shall be adopted for the schools with the approval of the Superintendent of Public Instruction an appropriate pamphlet or booklet containing diagrams as well as a substantial text on the principles and practical application of first aid treatment.

H. B. No. 9. AN ACT relating to marriage licenses, amending Section 402.080 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 402.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) No marriage shall be solemnized without a license therefor. The license shall be issued by the clerk of the county in which the female resides at the time, unless the female is of full age or a widow, and the license is issued on her application in person or by writing signed by her, in which case it may be issued by any county clerk.

(2) When either one or both applicants is under twenty-one years of age, no county clerk shall issue a mirriage license until the application for the marriage license remains on file, open to the public, in the office of the county court clerk, for three days before license is issued.

Ordered that said bills and said resolutions be printed and referred.

The Speaker announced that he had appointed the following as members constituting the Committee on Appropriations, viz:

Mrs. Mary Elizabeth Burnett

C. S. "Sid" Nabb

Paul Jonas

Walter R. Moorman

Charles E. Baumgardner, Sr.

Hobart Rayburn

Harry King Lowman

Mitchell S. Fannin

Bill Adams

Owen Deering

William L. Jones

The Speaker announced that he had referred resolutions previously introduced as follows, viz:

H. Res. No. 1.—Committee on Appropriations

H. Res. No. 2.—Committee on Appropriations

Mr. Hanratty moved that the House do now recess until 8 o'clock, p.m.

Said motion was agreed to.

And then the House recessed.

The hour of 8 o'clock, p.m., having arrived, the Speaker resumed the Chair and called the House to order.

Mrs. Burnett moved that the rules be suspended for the purpose of allowing a Report of Committee.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mrs. Burnett of the Committee on Appropriations, to which the same had been referred, reported resolutions of the following titles, viz:

H. Res. No. 1. A JOINT RESOLUTION appropriating the sum of Fifteen Hundred Dollars ($1,500.00) for a contingent fund for the Clerk of the Senate, and appropriating the sum of Fifteen Hundred Dollars ($1,500.00) for a contingent fund for the Clerk of the House.

H. Res. No. 2. A JOINT RESOLUTION appropriating additional compensation for officers and employees of the House and Senate, and declaring an emergency.

With the expression of opinion that same should pass.

Whereupon, said resolutions were each and severally read at length for the first time and

Ordered placed in the Calendar.

Mrs. Linton of the Committee heretofore appointed to wait upon the Senate and the Governor, reported that they had discharged the duties imposed upon them and that they had been informed by the Governor that he would address the General Assembly at 8:30 o'clock, p.m.

The hour of 8:30 o'clock, p.m. having arrived, the Senate of Kentucky appeared and in order entered upon the floor of the House of Representatives and the Honorable Lawrence W. Wetherby, Lieutenant Governor and President of the Senate, took the Chair and presided and the Honorable Adron Doran, Speaker of the House of Representatives, having taken his seat on the right of the President of the Senate, the two Houses were convened in Joint Session which was composed of a majority of all the members elected to each House.

There being no objection, the call of the roll of the Senate and House of Representatives in Joint Session was dispensed with.

After a time the Committee aforesaid, appeared upon the floor of the House with His Excellency, Earle C. Clements, Governor of the Commonwealth, who, having taken his place at the Clerk's desk, addressed the General Assembly in Joint Session as follows, viz:

BUDGET MESSAGE

Governor Wetherby, Mr. Speaker, and Members of the General Assembly:

Tonight, I have come to you in order that we might consider together, the general operations of the State. Next week, I shall report to you on the finances of your State government.

From time to time, during this session, just as you will feel free to come to me with your ideas and recommendations, I shall also feel free to come to you, and make certain specific recommendations concerning needed legislation.

In coming to you tonight, it is gratifying to be able to report much progress in the operations of the State government. Important to this improvement, was the foresight of the individual members of the 1948 General Assembly. A majority of Democrats and Republicans, working in close harmony with the Governor, were willing to pioneer in new fields of governmental endeavor. That session altered considerably, the framework of Kentucky's government. It is appropriate tonight, to review these alterations.

In reviewing the general operations of government, I shall group the various governmental agencies and departments, first, agencies created or materially changed by the 1948 session; second, departments broad in scope, or touch directly thousands of our individual citizens; third, a group of highly specialized departments; and fourth, certain departments headed by elective officials, materially affected by legislation enacted in 1948 and 1949.

LEGISLATIVE RESEARCH COMMISSION

The 1948 regular session of the General Assembly, created several new agencies of government. Among these, I will first emphasize one that is of primary interest to you, namely, the Legislative Research Commission.

The purpose of this Commission was to fill a vital need in assembling information on controversial topics, subjects that might result in remedial, or needed legislation, and to make this impartial, non-partisan information available alike to the Executive and Legislative branches of government.

The Commission, and its research staff, have made available to you, individually, their factual findings, without partisan comment or recommendation.

At your direction they will do the necessary research on all subjects that you feel that facts will be needed by the 1952 session. They adhere to their slogan, "Give the legislators the facts—Trust them to make the decisions."

Though it has already worked a real improvement in our government, actually, this important work is just getting under way. I urge you to direct such studies as will be of value to the next session of the General Assembly.

AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD

It is essential to the prosperity of Kentucky, to maintain a proper balance between agriculture and industry. An important contribution of the 1948 General Assembly, to this goal, was the creation of the Agricultural and Industrial Development Board. The foundation upon which much State planning must rest, is a complete inventory of the natural and human resources of the Commonwealth. A logical first step of this newly created agency, was to assemble information scattered among many public and private agencies, and bring it together under coordinated management. The activities of this Board are not dramatic, but are, nevertheless, extremely important. Though inaugurated little more than a year ago, much has been accomplished, and its real value will become more apparent, as its program develops.

Working in close cooperation with private agencies, in encouraging new industries in Kentucky, it provides a foundation upon which great progress will result.

DEPARTMENT OF STATE POLICE

The 1948 regular session completely altered the old Highway

Patrol, and built upon a solid foundation, the framework for an efficient and effective State Police force.

Well qualified, competent personnel, have been carefully selected for this new Department, and professionally trained through cooperation of such recognized agencies as the National Academy, the Federal Bureau of Investigation, and Northwestern University.

The State Police have been developed into an efficient, law-enforcing agency, supplementing, upon invitation, local authority, and consistently working for the preservation of home rule, yet, policing traffic and problems of State-wide importance.

STATE PROPERTY AND BUILDINGS COMMISSION

The State Property and Buildings Commission, created and organized in the past two years, has coordinated under one jurisdiction and authority, the scattered remnants of public property, and brought about a degree of order out of chaos.

The work of this Commission has been of inestimable value, in providing an orderly method of renovating Kentucky's institutional buildings, and planning for a long-time program for capital expenditures.

DEPARTMENT OF HIGHWAYS

By separate message to the 1948 General Assembly, I recommended that Kentucky increase the tax on gasoline, from 5 cents a gallon to 7 cents a gallon, with the increase earmarked for rural and secondary roads. The General Assembly enacted into law such a measure, and it is with tremendous pleasure and pride that I report to you that the progress of the road program in Kentucky, since the enactment of this legislation, is greater than that of any other State in America.

In road mileage contracted for during 1949, Kentucky ranks second from the top among the states. The road program has progressed far beyond any predictions ever made by me, and, I believe, far beyond the expectations of the 1948 General Assembly that made it possible.

Yet, we are only beginning. In the good year 1950, we shall

surpass the achievements of 1949. Trails and cow paths, through the valleys and over the hills of Kentucky, are fast becoming year-round roads. Many Kentucky citizens, who have been virtually isolated through several months of the year, are now in communication with their markets and trading centers. Schools, doctors, and churches have become accessible to an increasing number of our rural population. Kentucky is rapidly emerging from the mud!

There is also a direct relationship between the increased gasoline tax and better main highways. For example, since the additional tax has been made available for rural and secondary roads, a substantial portion of the monies formerly allocated for this purpose, have been released for the construction and reconstruction of State and Federal main highways.

With each primary road constructed, we have fewer references to Kentucky as the detour state, and more refernces to our Commonwealth as a good roads state.

DEPARTMENT OF CONSERVATION

The highway improvement program also means much to another important department of our State government, namely, the Department of Conservation. Nature has endowed Kentucky with natural resources, unsurpassed by any state. Among these resources are those places of scenic beauty, and universal interest. These places should be made accessible and attractive, not only to the people of Kentucky, but also to the nation, and the world.

The devolopment of Kentucky's parks offers a great opportunity to promote quickly, an added source of income to the people of Kentucky. The estimated value of the tourist business, in 1948, was 15 billion dollars in the nation. We have made a genuine effort to capture our share of this business.

Kentucky's park program, long dormant, has been revitalized. Two million dollars, of the State's capital funds, have been invested in our State parks. It is my considered judgment that our investments in State parks are sound, and will be returned to the Commonwealth, and its citizens, in recreation and business, many times over.

There has been marked improvements in all of the general functions of the Department of Conservation, consisting of the development, use, publicizing, and conservation of the natural resources of the State. The soil, water, and forestry resources of the Commonwealth, are part of our heritage. Unless we carefully develop them, and use them with intelligence, they cannot be bequeathed by us to succeeding generations.

DEPARTMENT OF ECONOMIC SECURITY

Among the major alterations in governmental structure, recommended to the 1948 General Assembly, was the creation of the new Department of Economic Security. Four divisions, namely, Unemployment Insurance, Employment Service, Public Assistance, and Child Welfare, were brought together in a single department, and coordinated under the direction of one commissioner. These agencies were related, in that all receive funds from the Federal Security Administration, operate under similar personnel rules and regulations, and have many related staff activities.

For the first time in the history of these four divisions, all have lived within their budgets within the same year.

It is gratifying to be able to report to you tonight, that this new Department is operating efficiently and well.

DEPARTMENT OF AERONAUTICS

When the 1948 General Assembly created the Department of Aeronautics, there were only seven publicly owned airports in the State, and these had been established over a 20-year period.

Under the impetus of the appropriation made by General Assembly, there are now, under construction or engineering, nine new public airports, which, when completed, will more than double the number of public airports since the Department was created.

DEPARTMENT OF REVENUE

Leaving the agencies that were created, or materially altered by the 1948 session, let us now briefly review those major departments, that directly affect the general operations of State

government, and many of our individual citizens. Two of these are of particular interest to you, namely, the Department of Revenue, which collects money for your appropriations, and the Department of Finance, which provides the necessary fiscal control, to prevent your appropriations from being exceeded.

The Department of Revenue in Kentucky, is efficiently administered, under first-class management. There are many tests that can be used to determine the efficiency of a tax collection agency. The test that is best, however, is whether the agency effectively applies the same rules to all who come under the law. During the last two years, thousands paid state taxes for the first time. Most of this increase was not caused by changes in economic conditions, or changes in the law. The increased number of taxpayers, substantially, has resulted from a better explanation and application of the tax laws. The Department of Revenue is meeting the test of equity.

DEPARTMENT OF FINANCE

The Department of Finance is the nerve center of the State government. Its Budget Division furnishes the members of the legislature and the Governor, a complete fiscal picture of the financial condition of the State government.

Another equally important division is that of Purchases.

Centralized purchasing in large quantities, has reduced the cost of many supplies to various agencies of the State, by as much as 25 per cent.

The Department also supervises Personnel Administration. Improvement has been made in job classifications, in an effort to establish salary ranges, which will provide equal pay for equal work. Much remains to be done, to establish firmly, sound personnel procedures in State government, and I expect to discuss that with you at a later date.

DEPARTMENT OF WELFARE

Kentucky citizens owe a responsibility to over 11,000 of our more unfortunate fellow citizens, who are wards of the State. Most of these unfortunates are the immediate responsibility of the Department of Welfare.

Sound economy demands that the State, insofar as possible, produce the food which is consumed by the inmates of its institutions.

Approximately two thousand acres of productive farm land, has been added to the State's holdings, principally at Eddyville and LaGrange, where labor is abundant.

Food production has been greatly stimulated, and such food as is not needed during the growing season, has been preserved for later use.

Great improvement also has been made in expanding dairy herds, and in producing milk for use in State institutions. Immediately prior to 1948, your Kentucky institutions did not have a single pound of beef on the hoof. Herds of beef cattle are now being established on the farms of the State, adapted to that purpose, and soon will produce a substantial part of the beef needed in the institutions.

The population of our institutions has increased since the end of the war, and is continuing to increase. However, with legislative support, the building program for these institutions can be substantially completed within the biennium. Through the efforts of the State Property and Buildings Commission, federal funds will be secured to pay two-thirds of the cost of additional facilities, at three of the institutions. Many other improvements have been made during the past two years.

Noteworthy progress also has been made in providing improved working conditions, and compensation for the loyal employees of the department.

DEPARTMENT OF HEALTH

No other unit of State government is more important, to all our people, than the Department of Health.

Through medical research and preventive medicine, the Department has made marked progress in improved health for Kentuckians.

There is a need for further progress. Local health units need to be strengthened, and some new legislation may be necessary. Kentucky needs a complete codification and modernization of

her health laws, but the task is enormous, and probably should be presented to the 1952 General Assembly.

The progress that has been made, is a tribute to the conscientious efforts of the employees of the Department of Health, which touches the lives of all our citizens, from the cradle to the grave.

HIGHLY SPECIALIZED DEPARTMENTS

Leaving those departments which touch the great mass of our citizens—let us briefly review those important, but more highly specialized, agencies of the State government.

Each of them is an important cog in the machine of government, though I can only mention them briefly in this discussion.

DEPARTMENT OF INDUSTRIAL RELATIONS

During the past two years, progress in the Department of Industrial Relations, is indicated by the fact that only current cases are now on the docket for adjudication. The lag between injury and decision, has been shortened.

DEPARTMENT OF BANKING

In the field of banking, may I point out that there has not been a single failure of any financial institution in Kentucky, during the past two years.

The financial structure of the State banking institutions in Kentucky, supervised by the Department of Banking, is sound, and under excellent supervision.

DEPARTMENT OF BUSINESS REGULATION

Not only in banking, but also in all fields of modern business, some regulation is essential for the common good.

The Public Service Commission, vested with jurisdiction and authority over the rates and services of most utilities in Kentucky, protects the consumers, with fair and reasonable rates.

The Public Service Commission, during the tenure of this administration, has, by its acts and the conduct of its business, strengthened the confidence of the people of our Commonwealth, in its integrity and the justice of its decisions.

DIVISION OF SECURITIES

The Division of Securities has been competently handled. However, its function is closely related to that of the Department of Banking, and I would suggest to this General Assembly, that the activities of this Division be placed in the Department of Banking.

DIVISION OF MOTOR TRANSPORTATION

The Division of Motor Transportation is today, operated in a business-like way.

The mandate on reciprocity, given to this agency by the 1948 session of the legislature, has been completely carried out.

I am happy to report its overall improvement is well recognized by all who have business dealings with the Division.

DIVISION OF INSURANCE

The Division of Insurance, through efficient service, has demonstrated its value, in a concrete manner, to the people of Kentucky. Through careful investigation, material reductions in rates on various items, have resulted in savings to our people.

DIVISION OF ATHLETIC CONTROL

The Division of Athletic Control has won the plaudits of those close to the sports supervised by this agency.

It is a well recognized fact, that professional sports must be clean, if they are to be presented to the public in Kentucky.

ALCOHOLIC BEVERAGE CONTROL BOARD

In the handling of alcoholic beverages, the Alcoholic Beverage Control Board has been vigorous in its enforcement of the control laws, and in general supervision of the distribution of alcoholic beverages.

It is not an overstatement to say, that this Board has the best record of any Board, since the repeal of prohibition.

DEPARTMENT OF MINES AND MINERALS

The Department of Mines and Minerals, which has the re-

sponsibility of enforcing safety measures in Kentucky mines, has earned a well-deserved reputation, for its fairness and impartiality.

You may deem it wise, after consideration, to expand its supervisory jurisdiction, to include abandoned wells, and strip, or open-cut mines, now completely unregulated under the law.

GENERAL

Time does not permit full reporting upon many other important activities. The Department of Library and Archives, Department of Military Affairs, the many and varied professional boards and commissions, all deserve commendation.

Thus far, I have reported to you upon the operations of the State government, that are under appointive officials. The other departments of government are headed by officials who are elected by the people, and, of course, directly responsible to the people. These departments are being operated efficiently, and from the elected officials, the Lieutenant Governor, Attorney General, Secretary of State, Treasurer, Superintendent of Public Instruction, Commissioner of Agriculture, Auditor of Public Accounts, and Clerk of the Court of Appeals, the Governor has received the closest cooperation.

In general, the duties of the departments headed by elective officials, were not changed materially by the last legislative session. However, legislation enacted during that session, and affecting the Department of Agriculture and the Department of Education, I feel, justify mention.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture, during the past two years, in cooperation with the federal government, has developed a Market News Service, that is as current as your daily newspaper.

An extremely valuable agricultural inventory has been assembled, for every county in Kentucky.

The Department's Livestock Sanitation Division is working successfully, to control Bang's Disease, through calfhood vaccination, a service rendered free to any Kentucky farmer.

Another feature of agriculture's services, includes dairy shows, which have greatly stimulated interest in this expanding industry.

DEPARTMENT OF EDUCATION

The General Assembly and the Governor have given special consideration to the problems of public education. The performance of the General Assembly in 1948, and again in extraordinary session in 1949, in behalf of education, will be of lasting benefit to public schools in Kentucky.

A retroactive appropriation of three million dollars, to increase teachers' salaries, was made for the school year 1947-48. An increase in the common school appropriation for the same purpose, was designated for each year of the biennium. In other words, the 1948 General Assembly provided a seven million dollar increase for teachers' salaries.

The 1948 session provided two and a half million dollars for the Teacher Retirement System, and the system became financially sound, for the first time in its history.

May I also call to your attention the action of the 1949 special session, and the benefits that will accrue to education as a result of the legislative enactments, improving the assessment and school equalization laws. For example, 62 school systems are receiving equalization aid at the present time. If no action had been taken by the General Assembly in 1949 on this problem, only 12 of these districts would have received any equalization funds this year.

But the most important benefit accruing to public education, from that special session, was the enabling legislation for improving local assessment procedures. Fair and equal assessment of property, for local taxation, is the cornerstone upon which the future fiscal structure of education must be anchored.

The 1948 General Assembly submitted two proposed constitutional amendments, which will have far-reaching effects upon education.

Only through the progressive enactments of the 1948 session did the voters, on November 8th, have the opportunity to liberalize school equalization and salaries.

I mention these achievements of the past two years because they are having, and will continue to have, a tremendous effect upon public education in the Commonwealth.

CONCLUSION

In conclusion, let me express my personal appreciation, and the appreciation of all Kentuckians, to certain groups of people, whose contributions to the efficient operation of the State, have been great indeed.

The first—is the State's own employees. You and I, in a way, are the architects of any program of government. We provide the blueprint. The State's employees are the skilled workmen, who give form and substance to the plans we submit to them. For whatever improvement is made in the government of our State, great credit must be given where it is so richly due, to the State's employees.

Another group, to whom we are greatly indebted, are those Kentucky citizens who, without pay, serve their State in a multitude of ways. Some serve on boards and agencies of the State, and thus contribute freely of their valuable time and high intelligence, and their vast experience. Others serve entirely unofficially, and place at the disposal of the Governor, for the benefit of their State, skills and services which the State could not possibly purchase.

There is a third group, which I think is often overlooked, and that is the great group of ordinary citizens, who comprise our State.

I wonder sometimes, if a monument should not be erected to the mass of our citizens, with the inscription—

"Erected in the memory of the people of Kentucky, who founded our Commonwealth, who gave it life, and upon whose shoulders will always rest, the burden of progressive government."

Senator Moloney moved that the Joint Session of the General Assembly do now dissolve.

Said motion was agreed to.

The Speaker resumed the Chair and called the House to order.

Mr. Hanratty moved that the House do now adjourn to meet again at 9:30 o'clock, a.m., Wednesday, January 4, 1950.

Said motion was agreed to.

And then the House adjourned.

WEDNESDAY, JANUARY 4, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend Paul S. Stauffer, pastor of the First Christian Church, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	Josh R. Cosby	Silas Jacobs
Bill Adams	B. H. Crider	Paul S. Jonas
Edgar Arnett	Owen Deering	Barkley Jones
Sidney Baer	Thomas R. Duncan	William Jones
Clarence J. Barnum	Roscoe C. Estepp, Sr.	James W. Lambert
C. E. Baumgardner	Mitchell S. Fannin	Mrs. J. T. Linton
Leonard T. Bean	Henry C. Hale	Homer E. Losey
John D. Beatty	Chester A. Hammons	A. L. (Chick) Love
Fred Beshear	James P. Hanratty	Harry K. Lowman
L. E. Bradley	George F. Harris	True Mackey
Edward O. Bridgers	Paul E. Hayes	Damon Majors
Thomas L. Britton	John A. Head	William T. Marshall
Charles J. Bronston	William K. Henry	Jack McPherron
J. D. Buckman, Jr.	E. R. Hilton	Alton Mitchell
Mrs. Mary Burnett	Ray Holbrook	Archie R. Moore
Charles W. Burnley	Woodrow W. Hollan	Emmett G. Moore
Alex Calvert	Chester J. Holsclaw	Walter R. Moorman
Stanley Carter	W. M. Horn, Jr.	Fred H. Morgan
Paul Combs	Durham W. Howard	C. S. Nabb

James H. Polsgrove	Forest Smith	Rev. T. Herbert Tinsley
Leonard W. Preston	Joseph T. Snapp	
W. R. Reasor	John M. Spaulding	Lyle H. Webb
Carl J. Ruh	Roy Steers	Ralph N. Walter
Amos Runyan	Raymond D. Stigall	Charles W. Wirsch
Dr. Roy Sanders	Mrs. Thelma Stovall	Geo. F. Williamson
LeRoy Saylor	W. R. Stringer	Fred M. Warns
Roy Searcy	Egbert V. Taylor	Harry L. Waterfield
Paul J. Shannon	M. G. Thompson	

Mrs. Burnett moved that the reading of the Journal of the proceedings of Tuesday, January 3, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

SENATE MESSAGE

A message was received from the Senate announcing that they had adopted a resolution which originated in that body of the following title, viz:

S. Res. No. 8. A CONCURRENT RESOLUTION relating to adjournment of the General Assembly.

Said resolution is as follows, viz:

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

That when the Senate and the House of Representatives adjourn today, Wednesday, January 3, 1950, they adjourn to meet again on Monday, January 9, 1950, at 8:00 o'clock, p.m.

Said resolution was then concurred in.

The message which was received from the Senate also announced that they had adopted a resolution which originated in that body as follows, viz:

S. Res. No. 9. RESOLUTION extending invitation to President Truman to be honor guest of the people of Kentucky, April 29 next.

Said resolution is as follows, viz:

BE IT RESOLVED by the Senate, the House concurring, that an urgent, warm and cordial invitation be and is now extended by the General Assembly of Kentucky for and on behalf of all the people of this grand old Commonwealth, to the Honorable Harry S. Truman, President of the United States, to come and be our honor guest on Saturday, April 29th next, and to deliver an address at the laying of the corner stone of the Memorial Building at Walker State Park, honoring Dr. Thomas Walker and his five dauntless Associates, who first invaded the danger infested wilderness of the Northwest, which includes the territory now occupied by Kentucky, Missouri, Ohio, Indiana, Illinois and other states; erected the first house, cleared and planted the first field and began the first settlement for white people west of the Alleghanies, in April 1750.

We, the General Assembly and all our people appriase a visit from your Excellency—a high honor—a distinction—to our Commonwealth to each and all of us. Your acceptance of this invitation will make our hearts glad and we will gather with our families, friends and visitors from all parts of the Nation at Walker State Park, near Barbourville, Kentucky, on said date to rejoice, and, to do honor to you and your courageous and wise administration of public affairs.

In anticipation of your acceptance of this invitation, we now declare Saturday, April 29, 1950, a special Holiday for every Kentuckian, and call upon our people, one and all, to attend this celebration in Gala Attire to make your welcome unanimous and the occasion a happy and memorable one.

Mr. Durham W. Howard moved that the House do now concur in said resolution.

Mr. Losey moved that the roll be called on the adoption of said resolution.

Said motion was lost for lack of a second.

Said resolution was then concurred in.

Bills of the following titles were introduced, viz:

By Mr. Love.

H. B. No. 10. AN ACT relating to the date of delinquency of state, county and district taxes, amending subsection (3) of Section 134.020 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (3) of Section 134.020 of the Kentucky Revised Statutes is amended to read as follows:

All state, county and district taxes, except as otherwise provided by law, shall become delinquent on March 1 following their due date.

H. B. No. 11. AN ACT to amend the Constitution of the Comonwealth of Kentucky to provide that the General Assembly may, by appropriate legislation, exempt real estate from ad valorem taxes payable to the Commonwealth.

Said bill is as follows:

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF KENTUCKY:

Section 1. That the Constitution of the Commonwealth of Kentucky be amended by creating a new provision, to read as follows:

The General Assembly shall have authority to enact legislation exempting real estate from ad valorem taxes payable to the Commonwealth of Kentucky.

Section 2. This amendment shall be submitted to the voters of the Commonwealth of Kentucky for their ratification or rejection at the next general election for members of the House of Representatives as provided for under Sections 256 and 257 of the Constitution of Kentucky and Section 118.430 of the Kentucky Revised Statutes.

H. B. No. 12. AN ACT relating to contracts and separate estate of married women, amending KRS 404.010.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 404.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) Marriage shall give to the husband, during the life of the wife, no estate or interest in the wife's property, real or personal, owned at the time or acquired after the marriage. During the existence of the marriage relation the wife shall hold and own all her estate to her separate and exclusive use, and free from the debts, liabilities or control of her husband.

(2) After June 30, 1950, a married woman may make a contract to answer for the debt, default or misdoing of another, including her husband, and her estate shall be subjected to the payment or satisfaction of such liability, so contracted for. No part of a married woman's estate shall be subjected to the payment or satisfaction of any liability upon such a contract made after marriage and before July 1, 1950 unless the estate has been set apart for that purpose by mortgage or other conveyance. But a married woman's estate shall be liable for her debts and responsibilities contracted before marriage, and for such contracted after marriage, except as provided in this chapter and in Chapter 392.

By Mr. Spalding.

H. B. No. 13. AN ACT relating to the exemption of a certain portion of real estate taxes provided that such real estate is occupied by the owner thereof as a home.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. Any person residing on real estate is Kentucky as the owner thereof and occupying the same as a home shall assess the same for a valuation of not less than $100 and pay the rate of taxation provided by law thereon and shall assess said property at its fair cash value.

2. Any assessment in excess of $100 to $2,500 shall be subject to taxation as provided by law.

4. All laws or parts of laws in conflict herewith are hereby repealed.

5. This Act shall become effective July 1, 1951.

Ordered that said bills be printed and referred.

CALENDAR

The House took up for consideration from the Calendar resolutions of the following titles, viz:

H. Res. No. 1. A JOINT RESOLUTION appropriating the sum of Fifteen Hundred Dollars ($1,500.00) for a contingent fund for the Clerk of the Senate, and appropriating the sum of Fifteen Hundred Dollars ($1,500.00) for a contingent fund for the Clerk of the House.

H. Res. No. 2. A JOINT RESOLUTION appropriating additional compensation for officers and employees of the House and Senate, and declaring an emergency.

The Constitutional provision as to the second reading at length of said resolutions having been dispensed with, said resolutions were read for the second time by their titles only and

Ordered that said resolutions be placed in the Orders of the Day.

Mr. Hanratty moved that the House do now adjourn to meet again at 8 o'clock, p.m., Monday, January 9, 1950.

Said motion was agreed to.

And then the House adjourned.

MONDAY, JANUARY 9, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend Joseph A. O'Dwyer, pastor of the Church of the Good Shepherd, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams
Bill Adams
Edgar Arnett
Sidney Baer
Clarence J. Barnum
C. E. Baumgardner
Leonard T. Bean
John D. Beatty
Fred Beshear
R. O. Blevins
Edward O. Bridgers
Charles J. Bronston
J. D. Buckman, Jr.
Mrs. Mary Burnett
Charles W. Burnley
Alex Calvert
Stanley Carter
Paul Combs
Josh R. Cosby
B. H. Crider
Owen Deering
G. I. Drury
Thomas R. Duncan
Roscoe C. Estepp, Sr.
Mitchell S. Fannin
Henry C. Hale
C. A. Hammons
James P. Hanratty
George F. Harris
Paul E. Hayes
John A. Head
Harold G. Helm
William K. Henry
E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
Richard R. Houpt
Durham W. Howard
Maurice G. Howard
Robert N. Hubbard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
James W. Lambert
Jesse H. Lawrence
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
Harry K. Lowman
True Mackey
Damon Majors
John Martin
William T. Marshall
Jack McPherron
Alton Mitchell
Archie R. Moore
Emmett G. Moore
Walter R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
Leonard W. Preston
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
Amos Runyan
Dr. Roy Sanders
LeRoy Saylor
Roy Searcy
Paul J. Shannon
Gus Sheehan, Jr.
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spaulding
J. Claude Stacy
Roy Steers
Raymond D. Stigall
W. R. Stringer
Egbert V. Taylor
Rev. T. Herbert Tinsley
Lyle H. Webb
Ralph N. Walter
Morris Weintraub
Charles W. Wirsch
Geo. F. Williamson
Harry L. Waterfield

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Mr. Harris moved that the reading of the Journal of the proceedings of Monday, January 9, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Preston moved that the rules be suspended and the privilege of the floor extended to Messrs. Pete Harris, Owen Morgan, Manuel Turner and Kenny Cole.

Said motion was unanimously agreed to.

Mr. Nabb moved that the rules be suspended and the privilege of the floor extended to Mrs. Susan Bond Rutherford.

Said motion was unanimously agreed to.

Mr. Burnley moved that the rules be suspended and the privilege of the floor extended to Mr. Henry Chambers of Paducah, Kentucky.

Said motion was unanimously agreed to.

Mr. Smith moved that the rules be suspended and the privilege of the floor be extended to Mr. J. K. Powell, Superintendent of Schools of Harrodsburg, Kentucky, Mr. Horace Cull, a former member of this House, and the Reverend Marshall Black.

Said motion was unanimously agreed to.

The Chief Clerk read the following communication from Mr. Edward A. Farris, Executive Secretary to His Excellency, Earle C. Clements, Governor of the Commonwealth of Kentucky, viz:

Honorable Adron Doran
Speaker of the House of Representatives
Frankfort, Kentucky

Dear Mr. Speaker:

It is requested that the Senate and the House of Represen-

tatives convene in joint session this evening for the purpose of hearing a report by the Governor regarding the fiscal operations of the State for the coming biennium.

Sincerely yours,

Edward A. Farris

Executive Secretary

Thereupon, the Speaker announced the following as members of a Committee to wait upon the Senate and notify that body that the House and Senate will meet in Joint Session at 8:30 o'clock, p.m., for the purpose of hearing His Excellency, the Honorable Earle C. Clements, Governor of the Commonwealth of Kentucky, viz:

Mrs. Mary E. Burnett

Mrs. James T. Linton

Mrs. Thelma L. Stovall

Mr. George F. Harris

Mr. Mitchell Fannin

Mr. Preston offered the following resolution, viz:

H. Res. A. A CONCURRENT RESOLUTION relating to the furnishing of certain services by the Statute Revision Commission to the members of the 1950 General Assembly.

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

The Statute Revision Commission, through competent and qualified personnel selected by it, shall examine each legislative bill immediately following its introduction in the Senate or House of Representatives at the present session of the General Assembly, and shall prepare a report as to each bill, summarizing the contents of the bill, stating what the bill purports to accomplish, what existing statutes will be affected by the bill, and, in the case of bills amending existing statutes, the exact nature of the amendments. The reports shall contain no comment as to the merits of the legislation proposed to be enacted, but may call

attention to material deficiencies of form, conflicts with other pending bills, and questions of constitutionality. Each report shall be prepared in sufficient number to furnish a copy to each member of the house in which the bill reported on was introduced. Such copies shall be furnished to the members within two legislative days after introduction of the bill. In addition to the report referred to above, the Statute Revison Commission shall make a similar report to each House of the General Assembly with respect to bills received by such house after initial passage by the other house.

Said resolution was adopted.

Resolutions of the following titles were introduced, viz:

By Mr. Hubbard.

H. Res. No. 3. A JOINT RESOLUTION providing for an inquiry into and investigation of the affairs, activities and management of the Kentucky Department of Aeronautics; providing for a committee to make such inquiry and investigation and prescribing its powers and duties; providing for the appropriation and disposition of funds for such committee, and declaring an emergency.

Said resolution is as follows, viz:

WHEREAS, in an article published in the Louisville Courier-Journal of January 8, 1950, certain alleged facts concerning the affairs, activities and management of the Kentucky Department of Aeronautics were brought to light, which alleged facts, if true, are of such a serious nature as to warrant a thorough inquiry into and investigation of the affairs, activities and management of the Department of Aeronautics; and with view of establishing a policy.

WHEREAS, it is desirable that the General Assembly have full and complete information concerning the affairs, activities and management of the Department of Aeronautics in order that it may be enabled to take on behalf of the citizens of the Commonwealth any legislative action which may appear to be neces-

sary or desirable for the protection of the interests of the Commonwealth and for the furtherance of good government; and

WHEREAS, it is the duty of the General Assembly under the Constitution to investigate irregularities, misconduct or maladministration of the affairs of the Commonwealth;

NOW THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Speaker of the House of Representatives shall, upon the passage and approval of this Resolution, forthwith appoint a committee of five members of the House, one of whom shall be designated as chairman by the speaker, which committee shall constitute a committee of the General Assembly and, in addition to the powers hereinafter specifically enumerated, shall possess all of the powers granted by Section 39 of the Constitution and by Section 6.072 and 6.080 of the Kentucky Revised Statutes.

Sec. 2. The committee is hereby authorized, empowered and directed to fully and thoroughly inquire into and investigate the affairs, activities and management of the Kentucky Department of Aeronautics, including the conduct and acts of all officers and employes of the Department, and the conduct and acts of any and all persons having or who have had transactions dealings or contracts, directly or indirectly, with the Department or any of its officers or employes.

Sec. 3. The committee is authorized and empowered to employ accountants, attorneys, stenographic and clerical assistants, and such other skilled assistants as it may deem necessary and expedient for the performance of its duties, and to purchase or otherwise acquire necessary equipment and supplies.

Sec. 4. The committee shall have full and plenary powers to subpoena, demand the presence of, and examine under oath administered by the chairman of the committee, any and all officers and employes of the Department of Aeronautics, any and all persons having or who have had transactions, dealings or contracts, directly or indirectly, with the Department or any of its officers or employes, and any other person deemed to possess

any knowledge or information pertinent to the inquiry and investigation being conducted. The committee shall have the further power to require any and all persons subpoenaed by it to appear at the time and place mentioned in the subpoena, and the power to require by subpoena the production of any books, papers, documents, contracts, records or other data or written matter deemed pertinent to the inquiry and investigation. The committee shall have the further power to receive evidence by deposition and to provide for the taking of depositions in this state or elsewhere, and for the purpose of taking depositions may delegate any member or employe of the committee to conduct the taking of the deposition.

Sec. 5. The committee shall have authority to reimburse its members and employes for actual and necessary traveling expenses, telephone and telegraph expenses, and similar expenses incurred in the performance of the duties of the committe.

Sec. 6. The committee is authorized and empowered to conduct hearings at any place within this state or elsewhere, and to adopt rules governing its meetings, hearings and procedure.

Sec. 7. The enumeration of powers hereinabove set forth shall not be construed as a limitation upon any inherent powers which the committee may posses as a legislative committee under the Constitution, statutes or common law.

Sec. 8. The Sergeant-at-Arms of the House of Representatives and his assistants shall be at the disposal of the committee to serve subpoenas issued by the committee, and it shall be the duty of the sheriff of any county to serve subpoenas at the request of the committee.

Sec. 9. The committee shall proceed as rapidly as practicable with the inquiry and investigation and report its findings to the General Assembly before adjournment of the present session.

Sec. 10. There hereby is appropriated to the committee provided for by this Resolution, out of the General Expenditure Fund in the State Treasury for the current fiscal year, the sum of five thousand dollars, for the purposes of this Resolution. The chairman of the committee may at any time requisition any

part or all of the sum so appropriated, and the Department of Finance, upon receiving such requisition, shall issue its warrant upon the State Treasury for the amount requisitioned. Upon receipt of such warrant, the State Treasurer shall issue his check payable to the chairman of the committee, and upon receipt of the check the chairman shall cause the amount thereof to be deposited in a bank of his selection within this state. Disbursements from the funds so placed upon deposit may be made upon checks signed by the chairman of the committee, for any purpose authorized by this Resolution. At the same time the report of findings of the committee is made pursuant to Section 9 of this Resolution, the chairman of the committee shall present an itemized statement of all disbursements of the committee from the deposited funds, and shall issue to the State Treasurer, for deposit and credit to the General Expenditure Fund, his check upon the deposited funds for any unexpended balance thereof.

Sec. 11. WHEREAS, it is essential that the inquiry and investigation provided for in this Resolution be made forthwith in order that the present General Assembly may take such legislative action as may be necessary or desirable for the benefit of the Commonwealth, an emergency is declared to exist and this Resolution shall take effect upon its passage and approval by the Governor.

By Dr. Palmore.

H. Res. No. 4. A JOINT RESOLUTION of the General Assembly of the Commonwealth of Kentucky, authorizing the appointment of a Joint Committee of the House and Senate to investigate all conditions, past or existing, financial or otherwise, of all Higher Institutions of Learning receiving State aid; empowering such Committee with authority to employ a reporter for the taking of such hearings, and to subpoena witnesses, books, papers and all records and documents of any of said Institutions, or any other person, partnership or corporation of the Commonwealth of Kentucky, which may relate to said investigation; empowering the said Committee to employ Certified Public Accountants to make audits and investigations; to have assigned to it a member of the Attorney General's staff as the law member

of said Committee, and providing for an appropriation to cover the expense thereof.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

§ 1. There is hereby created the Legislative Investigation Committee of Higher Institutions of Learning in the Commonwealth of Kentucky. Said Committee shall be composed of twelve (12) members of the General Assembly, four (4) members of which shall be selected by the President of the Senate from the Senate membership, not more than three of which shall be of the same political party, and eight (8) members of which shall be selected by the Speaker of the House from the membership of the House, not more than six (6) shall be of the same political party. The Chairman of said Committee shall be named by the President of the Senate from one of the members of the Senate named to said Committee and the Vice Chairman of said Committee shall be named by the Speaker of the House from one of the members of the House. The Vice Chairman shall act as Chairman in the absence of the Chairman.

§ 2. In order that said Committee may have the advantage of neutral legal assistance in the performance of its duties, the Attorney General's office shall assign a member of its staff to assist and advise with, and act as the law member of said Committee in carrying out the purposes of the Resolution as hereinafter set forth. The purpose of this Resolution is to permit the General Assembly of Kentucky and the Governor of the Commonwealth of Kentucky to know the real facts involving, directly or indirectly, financially or otherwise, the Higher Institutions of Learning receiving State financial support, and to determine whether moneys appropriated by the General Assembly, or otherwise acquired by any one or more of said Institutions are properly accounted for and expended.

§ 3. The Committee is hereby authorized to conduct hearings at the situs of any of the Institutions of Higher Learning, or any other place in the Commonwealth of Kentucky, which they may deem necessary. The Committee is authorized to subpoena

witnesses, books, records and all documents for the purpose of finding the actual facts concerning curriculums, number of students actually enrolled, total income of each of said Institutions, whether by endowment, grant, gift or from any other source, and to determine the financial condition of each of said Institutions of Higher Learning, and to examine all bank accounts, and any and all other accounts relating to finances connected directly or indirectly with each of said Institutions. Banking institutions of the Commonwealth of Kentucky authorized to do business in this State and any and all other depositories are hereby required to make their records available on demand to the Committee or auditors of said Committee, or a subcommittee thereof.

§ 4. The Committee is hereby authorized and empowered, if they deem it necessary, to employ a reputable firm of Certified Public Accountants to make whatever audits the Committee may deem necessary to complete a thorough investigation of the financial affairs and to recommend the installation of a recognized system of bookkeeping and accounts. The Committee shall begin its investigation as soon as the Committee may determine that it may be done consistent with their present legislative duties and shall continue the same until completed. The time of said investigation, however, not to exceed January 1, 1951. The Committee shall report its findings to the Governor of the Commonwealth, but where a violation of the criminal laws are found in the handling of any funds belonging to the Commonwealth of Kentucky and to the Institutions of Higher Learning said Committee shall furnish a copy of its report to the Comonwealth's Attorney within the district wherein such violations occur.

§ 5. All of the hearings of the Committee shall be held in executive session and shall be kept secret and not be revealed by any member thereof to anyone, except the Commonwealth's Attorney, if necessary, until the final report to the Governor of the Commonwealth.

§ 6. In the employment of Certified Public Accountants the Committee shall consult the Commissioner of Finance relative to the compensation to be paid and the amount thereof, and if such employment is approved by the Committee the Department of Finance is hereby authorized to issue a warrant on the

State Treasurer for the payment of the services and expenses of said Certified Public Accountants.

§ 7. Committee members shall be allowed a per diem of TEN DOLLARS ($10.00) for each day's attendance in carrying out the purposes of this Resolution and their traveling and lodging expenses while so attending. The member of the Attorney General's staff assigned to the Committee shall receive no per diem, but shall be paid his actual expenses from the fund hereinafter appropriated in the performance of the duties required of him under this Resolution.

§ 8. To cover the expense of the Committee and the costs of the audits there is hereby appropriated the sum of THIRTY THOUSAND DOLLARS ($30,000.00) from the General Fund of the Commonwealth of Kentucky, to be expended solely for the purpose of said investigation as hereinabove set forth, to be withdrawn by properly executed vouchers as now provided by law. Verified statements of the expense accounts of said members and their per diems shall be furnished to the Chairman of said Committee and certified by him to the Department of Finance prior to the execution of a warrant for the withdrawal of the funds.

§ 9. This Resolution shall have the full force and effect of law.

§ 10. WHEREAS, there has been publicized misappropriation of funds in one of the Institutions of Higher Learning in the Commonwealth of Kentucky, and

§ 11. WHEREAS, there are rumors concerning others, and

§ 12. WHEREAS, there is immediate necessity that steps be taken to correct any conditions, if any, which may exist demoralizing the Higher Institutions of Learning of the Commonwealth of Kentucky, an emergency is declared to exist and this Resolution shall become effective immediately upon its passage by both Houses and its approval by the Governor of the Commonwealth.

Ordered that said resolutions be printed and referred.

Bills of the following titles were introduced, viz:

By Mr. Hanratty.

H. B. No. 14. AN ACT relating to appropriations for the operation, maintenance, support and functioning of the Government of the Commonwealth of Kentucky and its various offices, departments, boards, commissions, institutions, subdivisions, agencies and other state supported activities, and declaring an emergency to exist.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART ONE

There is hereby appropriated out of the General Expenditure Fund for the fiscal year beginning July 1, 1950 and ending June 30, 1951, and for the fiscal year beginning July 1, 1951, and ending June 30, 1952, the following sums for the following offices, departments, boards, commissions, institutions, and subdivisions of the State Government, and any and all other agencies of the State Government of the Commonwealth of Kentucky subject to the provisions of Chapter 12, 42 and 45 of the Kentucky Revised Statutes, for which the specific appropriation is herein listed, excepting those listed in Parts Two, Three and Four of this Budget Act, for the following purposes:

I. GENERAL GOVERNMENT

1. LEGISLATIVE

A. *Legislative Sessions.*

1951-52 ----------$250,000

B. *Legislative Research Commission.* Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ----------$67,500

1951-52 ----------$75,000

C. *Legislative Journals and Acts.* For preparing, indexing, editing and printing the Journals and Acts of the General Assembly,

1950-51 ----------$33,000
1951-52 ----------$ 3,000

D. *The Council of State Governments.* For aiding in the defraying of expenses of this Agency,

1950-51 ----------$7,500
1951-52 ----------$7,500

TOTAL—LEGISLATIVE
1950-51 ----------$108,000
1951-52 ----------$335,500

2. LIEUTENANT-GOVERNOR

A. *Lieutenant-Governor.*
1950-51 ----------$2,400
1951-52 ----------$2,400

3. JUDICIARY AND COURT COSTS

A. *Court of Appeals.*
1950-51 ----------$65,000
1951-52 ----------$65,000

B. *Clerk of Court of Appeals.*
1950-51 ----------$23,000
1951-52 ----------$23,000

C. *Judicial Council.*
1950-51 ----------$1,050
1951-52 ----------$1,050

D. *Clerks' Services, Criminal Prosecution, Jury Commissioners, Trustees of Jury Fund (Circuit Clerks), and Commissions on Fines and Forfeitures.* For expenses of operation of the laws applicable to Clerks' Services, Criminal Prosecutions, Jury Commissioners, Trustees of Jury Fund (Circuit Clerks), and Commissions on Fines and Forfeitures,

1950-51 ----------$1,619,000
1951-52 ----------$1,619,000

E. *Salaries—Judges and Commonwealth's Attorneys.* For payment of salaries of Judges and Commonwealth's Attorneys,

1950-51 ----------$317,500
1951-52 ----------$317,500

F. *Sheriffs' Advances.* To be advanced to sheriffs for expenses in accordance with the provisions of KRS 64.140,

1950-51 ---------- $76,200
1951-52 ---------- $76,200

G. *Return of Fugitives from Justice.* For expenses incurred by returning fugitives from justice when authorized by the Governor,

1950-51 ---------- $10,000
1951-52 ---------- $10,000

H. *County Highway Patrol.* For the purpose of paying sheriffs of the various counties for performing duties as required by law,

1950-51 ---------- $135,000
1951-52 ---------- $135,000

I. *Board of Bar Examiners.*

1950-51 ---------- $3,000
1951-52 ---------- $3,000

TOTAL—JUDICIARY AND COURT COSTS

1950-51 ---------- $2,249,750
1951-52 ---------- $2,249,750

4. EXECUTIVE DEPARTMENT

A. *Governor's Office.* For expenses, including the Executive Cabinet,

1950-51 ---------- $44,900
1951-52 ---------- $44,900

B. *Contingent Fund.* For contingent expenses,

1950-51 ---------- $10,000
1951-52 ---------- $10,000

C. *General Emergency Fund.* For meeting expenses deemed emergencies by the Governor, and to be expended by the Governor in his discretion for any emergency that he may determine requires the expenditure of any part of said fund,

1950-51 ---------- $500,000
1951-52 ---------- $500,000

D. *Capital Outlay—Mansion.* For furniture and other capital outlay expenses of the Executive Mansion,

1950-51 ----------$5,000
1951-52 ----------$5,000

TOTAL—EXECUTIVE DEPARTMENT
1950-51 ----------$559,900
1951-52 ----------$559,900

5. SECRETARY OF STATE

A. *Secretary of State.* For expenses including Land Office, Absentee Voting, Process Agent, and Corporations,
1950-51 ----------$45,000
1951-52 ----------$45,000

6. DEPARTMENT OF LAW

A. *Attorney-General.* For expenses, including Cost of Suits,
1950-51 ----------$66,000
1951-52 ----------$68,000

7. STATUTE REVISION COMMISSION

A. *Statute Revision Commission.*
1950-51 ----------$38,000
1951-52 ----------$20,000

8. DEPARTMENT OF TREASURY

A. *State Treasurer.*
1950-51 ----------$48,000
1951-52 ----------$49,000

9. AUDITOR OF PUBLIC ACCOUNTS

A. *Auditor of Public Accounts.* For expenses of auditing for the benefit of the State, including all State Agencies and County Officials receiving or disbursing public monies belonging to the State,
1950-51 ----------$47,500
1951-52 ----------$47,500

10. DEPARTMENT OF FINANCE

A. *Commissioner of Finance.* For expenses of the various divisions within the Department, including the administration of Confederate Pensions, and the administration of Public Printing,

1950-51 ---------- $258,250
1951-52 ---------- $264,250

B. *Public Properties.* For custodial care of public properties and expenses,

1950-51 ---------- $200,000
1951-52 ---------- $200,000

C. *Public Record Books.* (Paper and Printing.) For expenses necessary in the purchase and replacement of Public Record Books as provided in KRS 28.130,

1950-51 ---------- $33,000

D. *Paper for Election Ballots and General Assembly.* For expenses in furnishing paper for ballots for State elections and for the General Assembly, as required by law,

1950-51 ---------- $20,000
1951-52 ---------- $ 5,000

E. *Confederate Pensions.* For the payment of Confederate Pensions heretofore allowed by law,

1950-51 ---------- $35,000
1951-52 ---------- $30,000

TOTAL—DEPARTMENT OF FINANCE

1950-51 ---------- $546,250
1951-52 ---------- $499,250

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11. DEPARTMENT OF REVENUE

A. *Commissioner of Revenue.* For expenses of the Department and various divisions thereof,

1950-51 ---------- $728,000
1951-52 ---------- $728,000

B. *Reappraisals.* For expenses of reappraisals as contemplated by KRS 132.670,

1950-51 ---------- $150,000
1951-52 ---------- $150,000

C. *County Tax Commissioners.*

1950-51 ---------- $850,000
1951-52 ---------- $850,000

D. *County Boards of Supervisors.*

1950-51 ---------- $30,000
1951-52 ---------- $30,000

TOTAL—DEPARTMENT OF REVENUE
1950-51 ..... $1,758,000
1951-52 ..... $1,758,000

12. ELECTIONS

A. *Board of Election Commissioners.*
1950-51 ..... $2,000
1951-52 ..... $2,000

B. *Board of Registration and Purgation.*
1950-51 ..... $1,000
1951-52 ..... $1,000

C. *County Elections (State Share).*
1950-51 ..... $170,000
1951-52 ..... $170,000

TOTAL—ELECTIONS
1950-51 ..... $173,000
1951-52 ..... $173,000

13. DEPARTMENT OF MILITARY AFFAIRS

A. *Adjutant General.*
1950-51 ..... $26,500
1951-52 ..... $26,500

B. *Division of Armories.*
1950-51 ..... $100,000
1951-52 ..... $100,000

C. *Armories—Rental.* For expenses of rental of armories,
1950-51 ..... $100,000
1951-52 ..... $100,000

D. *Kentucky National Guard.*
1950-51 ..... $35,000
1951-52 ..... $35,000

TOTAL—DEPARTMENT OF MILITARY AFFAIRS
1950-51 ..... $261,500
1951-52 ..... $261,500

14. KENTUCKY DISABLED EX-SERVICE MEN'S BOARD

A. *Kentucky Disabled Ex-Service Men's Board.*
1950-51 ----------$90,000
1951-52 ----------$92,700

15. DEPARTMENT OF AERONAUTICS

A. *Commissioner of Aeronautics.* For expenses of the Department and the various divisions thereof,
1950-51 ----------$55,000
1951-52 ----------$55,000

16. DEPARTMENT OF STATE POLICE

A. *Commissioner of State Police.* For expenses of the Department and the various divisions thereof,
1950-51 ----------$200,400
1951-52 ----------$228,790

17. AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD

A. *Agricultural and Industrial Development Board.* For expenses of the Board and the various divisions thereof, with the provision that any unexpended balance at the end of the first fiscal year shall be carried over to the second,
1950-51 ----------$125,000
1951-52 ----------$125,000

18. DEPARTMENT OF LIBRARY AND ARCHIVES

A. *Law Librarian.*
1950-51 ----------$12,000
1951-52 ----------$12,000

B. *State Librarian.* For salary of State Librarian,
1950-51 ----------$3,000
1951-52 ----------$3,000

C. *Law Library Books.* For expenses as provided for under KRS 171.110,
1950-51 ----------$5,000
1951-52 ----------$5,000

D. *Library Sales Account—Kentucky Reports.* For expenses

of paying the costs of publishing the Kentucky reports and pamphlets of opinions of the Court of Appeals.

1950-51 ..... $15,000
1951-52 ..... $15,000

E. *Distribution and Repair of Books.*

1950-51 ..... $1,000
1951-52 ..... $1,000

F. *Division of Library Extension.*

1950-51 ..... $27,500
1951-52 ..... $27,500

G. *Kentucky State Historical Society.*

1950-51 ..... $25,500
1951-52 ..... $25,500

TOTAL—DEPARTMENT OF LIBRARY AND ARCHIVES

1950-51 ..... $89,000
1951-52 ..... $89,000

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19. DEPARTMENT OF BUSINESS REGULATIONS

A. *Division of Athletic Control.*

1950-51 ..... $4,000
1951-52 ..... $4,000

B. *Division of Insurance.*

1950-51 ..... $75,000
1951-52 ..... $75,000

C. *Division of Securities.*

1950-51 ..... $9,000
1951-52 ..... $9,000

TOTAL—DEPARTMENT OF BUSINESS REGULATIONS

1950-51 ..... $88,000
1951-52 ..... $88,000

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20. DEPARTMENT OF INDUSTRIAL RELATIONS

A. *Office of Commissioner.*

1950-51 ..... $17,000
1951-52 ..... $17,000

B. *Division of Wages and Hours for Women and Minors.* For expenses, including labor and statistics generally and inspection services,

1950-51 ..... $73,000
1951-52 ..... $73,000

TOTAL—DEPARTMENT OF INDUSTRIAL RELATIONS

1950-51 ..... $90,000
1951-52 ..... $90,000

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21. DEPARTMENT OF MINES AND MINERALS

A. *Department of Mines and Minerals.* For expenses of the Department including the divisions thereof,

1950-51 ..... $240,000
1951-52 ..... $240,000

22. RAILROAD COMMISSION

A. *Railroad Commission.*

1950-51 ..... $20,000
1951-52 ..... $20,000

B. *Assistant Attorney-General for Railroad Commission.*

1950-51 ..... $8,000
1951-52 ..... $8,000

TOTAL—RAILROAD COMMISSION

1950-51 ..... $28,000
1951-52 ..... $28,000

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23. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

A. *Office of Commissioner.* For expenses of the Department including the divisions thereof,

1950-51 ..... $185,000
1951-52 ..... $185,000

24. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

A. *Money Refunded.* For refunding money paid to the State Treasurer, which may be later determined not to be a lawful collection by the State. No money shall be refunded, however, after it has been paid into the State Treasury except by authority of a Court Order or a written opinion from the Attorney-General and approved by the Commissioner of Finance,

1950-51 ---------- $2,800
1951-52 ---------- $2,800

B. *Bonds of Elective Officers.* For payment of premiums on bonds of elected State Officials who are required by law to execute bonds to the Commonwealth of Kentucky, the payment of which is incumbent upon the State,

1950-51 ---------- $1,300
1951-52 ---------- $1,300

C. *Judgments.* For the payment of such judgments as may be rendered against the Commonwealth by order of Court and approved by the Attorney-General,

1950-51 ---------- $19,000
1951-52 ---------- $19,000

D. *Interest on Land Grant Bonds.* For payment of interest semi-annually on A. & M. bonds as provided by KRS 164.520,

1950-51 ---------- $9,900
1951-52 ---------- $9,900

E. *Frankfort Cemetery.* For the purpose of assisting in the care of graves in the Frankfort Cemetery to be paid to persons authorized by law to receive same,

1950-51 ---------- $250
1951-52 ---------- $250

F. *Statutes and Codes for Courts.* For paying for replacements and purchases of statutes and codes for the Courts as provided in KRS 57.340,

1950-51 ---------- $3,000
1951-52 ---------- $ 800

G. *Kentucky Directory.*

1950-51 ---------- $1,100

H. *Interstate Oil Compact.* For aiding in the defraying of expenses of this agency,

1950-51 ..... $1,000
1951-52 ..... $1,000

I. *Premiums on Sheriffs' Bonds.* For payments of Premiums on Sheriffs' Bonds as provided by KRS 62.155,

1950-51 ..... $15,000
1951-52 ..... $15,000

TOTAL—APPROPRIATIONS NOT OTHERWISE CLASSIFIED
1950-51 ..... $53,350
1951-52 ..... $50,050

TOTAL—I. GENERAL GOVERNMENT
1950-51 ..... $7,147,050
1951-52 ..... $7,340,340

II. WELFARE

25. DEPARTMENT OF WELFARE

A. *Office of Commissioner.* For expense of the administration of the Department of Welfare,

1950-51 ..... $20,500
1951-52 ..... $20,500

B. *Division of Fiscal Control.*

1950-51 ..... $75,000
1951-52 ..... $75,000

C. *Division of Mental Hygiene.* For administrative expenses,

1950-51 ..... $30,000
1951-52 ..... $30,000

D. *Mental Hospitals.* For expenses of the Mental Institutions; Eastern State Hospital, Central State Hospital, Western State Hospital, Kentucky State Hospital, and The Kentucky Training Home,

1950-51 ..... $3,800,000
1951-52 ..... $3,800,000

E. *Division of Corrections.* For administrative expenses,
1950-51 ---------- $15,000
1951-52 ---------- $15,000

F. *Penal Institutions.* For expenses of the Penal Institutions; Houses of Reform, State Reformatory, State Penitentiary and the Women's Prison,
1950-51 ---------- $1,386,500
1951-52 ---------- $1,386,500

G. *Division of Probation and Parole.* For administrative expenses,
1950-51 ---------- $165,000
1951-52 ---------- $165,000

H. *Kentucky Children's Home.*
1950-51 ---------- $170,000
1951-52 ---------- $170,000

I. *Home for Incurables.*
1950-51 ---------- $15,000
1951-52 ---------- $15,000

J. *Conveyance of Lunatics.*
1950-51 ---------- $8,000
1951-52 ---------- $8,000

K. *Pauper Idiots.*
1950-51 ---------- $65,000
1951-52 ---------- $65,000

L. *Agricultural Production.*
1950-51 ---------- $250,000
1951-52 ---------- $250,000

TOTAL—DEPARTMENT OF WELFARE
1950-51 ---------- $6,000,000
1951-52 ---------- $6,000,000

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26. DEPARTMENT OF ECONOMIC SECURITY

For ordinary expenses of operation and cooperation (matching of funds) with the Federal Government under the Social Security Act of August 14, 1935, and any amendments now in effect or hereinafter enacted and under any act of Congress supplementing said Act as amended, including adjustments of

prior year or current year accounts necessary to comply with the Federal regulations. Also for the administration of Old Age Assistance, Aid to Dependent Children, and Aid to the Needy Blind, including cost to the State Treasurer for preparing, printing and issuing checks for recipients of Public Assistance Programs. Also, for administration, services, and benefits of the Child Welfare Program.

A. *Public Assistance—Administration.*

1950-51 ---------- $775,000
1951-52 ---------- $775,000

B. *Public Assistance—Benefits.* Old Age Assistance Payments, Aid to the Needy Blind, and Aid to Dependent Children, and not to be used for cost of administration. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ---------- $8,285,000
1951-52 ---------- $8,285,000

C. *Child Welfare—Administration and Services.*

1950-51 ---------- $127,500
1951-52 ---------- $127,500

D. *Child Welfare—Benefits.* For boarding home care and other benefit expenses, and not to be used for cost of administration. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ---------- $112,500
1951-52 ---------- $112,500

TOTAL—DEPARTMENT OF ECONOMIC SECURITY

1950-51 ---------- $9,300,000
1951-52 ---------- $9,300,000

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27. DEPARTMENT OF HEALTH

A. *Department of Health.* For expenses of the Department and the divisions thereof, including laboratory service,

1950-51 ---------- $350,000
1951-52 ---------- $375,000

B. *County Health Units and Departments.* For expenses including visiting Nurse Service,

1950-51 ..... $600,000
1951-52 ..... $625,000

C. *Heart Disease.*

1950-51 ..... $26,000
1951-52 ..... $26,000

D. *Colored Red Cross Hospital.*

1950-51 ..... $30,000
1951-52 ..... $30,000

E. *Kentucky Division of Women's Field Army of American Society for Control of Cancer.* For expenses and for educational purposes in connection with control of cancer, for care of indigent cancer patients, and for control of cancer under supervision of State Board of Health.

1950-51 ..... $35,000
1951-52 ..... $35,000

F. *Kentucky Crippled Children's Commission.*

1950-51 ..... $200,000
1951-52 ..... $200,000

G. *Medical Research Commission.*

1950-51 ..... $125,000
1951-52 ..... $125,000

H. *Julius Marks Sanatorium.* Reimbursement to be made in accordance with the formula established by KRS 215.320, but the total reimbursement shall not exceed the amount of this appropriation,

1950-51 ..... $22,500
1951-52 ..... $22,500

I. *Covington, Kenton County Tuberculosis Sanatorium.* Reimbursement to be made in accordance with the formula established by KRS 215.320, but the total reimbursement shall not exceed the amount of this appropriation,

1950-51 ..... $15,000
1951-52 ..... $17,500

J. *Warren County Tuberculosis Sanatorium.* Reimbursement to be made in accordance with the formula established by KRS 215.320, but the total reimbursement shall not exceed the amount of this appropriation,

1950-51 ..... $12,000
1951-52 ..... $12,000

TOTAL—DEPARTMENT OF HEALTH
1950-51 ..... $1,415,500
1951-52 ..... $1,468,000

28. TUBERCULOSIS SANATORIA COMMISSION

A. *Tuberculosis Sanatoria Commission.* For administrative expenses. Also for operating expenses of the tuberculosis sanatoria at Madisonville, Hazelwood (including interest on Hazelwood Sanatorium bonds and Sinking Fund requirements), Paris, Ashland, London and Glasgow, any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ..... $1,350,000
1951-52 ..... $1,350,000

TOTAL—II. WELFARE
1950-51 ..... $18,065,500
1951-52 ..... $18,118,000

III. EDUCATION

29. DEPARTMENT OF EDUCATION

A. *Superintendent of Public Instruction.* For expenses of the Superintendent including the divisions thereof and teacher training and Certification, State Board of Education, and State Textbook Commission,

1950-51 ..... $195,000
1951-52 ..... $195,000

B. *Public School Lunch Program.* For expenses, to be administered by the Superintendent of Public Instruction,

1950-51 ..... $40,000
1951-52 ..... $40,000

C. *Common School Per Capita Fund.* For the payment and increase of the monthly salaries of teachers and for no other purposes,

1950-51 ---------- $20,070,000
1951-52 ---------- $20,070,000

The State Board of Education shall not approve any working budget or salary schedule for a local board of education for the school years 1950-51 and 1951-52 in which the total amount budgeted for teachers' salaries in the school year 1949-50 is not increased by the minimum additional amount of per capita revenue apportioned to that district, over that received in the school year 1949-50, expect where there is a decline in local revenue of that district after the district has levied the maximum ad valorem tax rate permitted by law. Any such reduction permitted shall be only for the amount of the decline in local revenue.

In the event any local board of education claims there is a decline in local revenue in that district, the State Board of Education shall certify such claim to the Department of Revenue whose duty it shall be to determine whether or not there is a decline in local revenue of such district and if so, the amount of such decline in local revenue, the Department of Revenue shall make its certification to the State Board of Education and said Board shall accept said certification as final.

The above amount includes $138,937.63 for each fiscal year which is interest on State School Bonds, as provided by the State Constitution, for the support of common schools.

D. *Equalization Fund.* For equalization of educational services in the common schools to be expended as provided by law and regulations of the State Board of Education,

1950-51 ---------- $2,230,000
1951-52 ---------- $2,230,000

E. *Free Textbooks.* For the purchase of Textbooks as provided for in KRS 157.100 and 157.190. An amount not exceeding $17,500 of this appropriation may be used each fiscal year for administration,

1950-51 ---------- $735,000
1951-52 ---------- $735,000

F. *Vocational Education—Administration.* For expenses of operation, administration and supervision,

1950-51 ---------- $45,000
1951-52 ---------- $45,000

G. *Vocational Education—Instruction.* For reimbursement of teacher training and special instructors,

1950-51 ..... $45,000
1951-52 ..... $45,000

H. *Vocational Education – Local School Districts.* For reimbursements of local school districts,

1950-51 ..... $210,000
1951-52 ..... $210,000

I. *West Kentucky Vocational Training School for Negroes.*

1950-51 ..... $85,000
1951-52 ..... $85,000

J. *Mayo State Vocational School.*

1950-51 ..... $75,000
1951-52 ..... $90,000

K. *Northern Kentucky Vocational Training School.*

1950-51 ..... $25,000
1951-52 ..... $25,000

L. *Lincoln Institute.*

1950-51 ..... $100,000
1951-52 ..... $115,000

M. *Kentucky School for the Blind—White.*

1950-51 ..... $113,300
1951-52 ..... $127,500

N. *Kentucky School for the Blind—Colored.*

1950-51 ..... $14,700
1951-52 ..... $15,200

O. *Kentucky School for the Blind—Workshop for Adult Blind.*

1950-51 ..... $22,000
1951-52 ..... $22,300

P. *Kentucky School for the Deaf—White.*

1950-51 ..... $210,000
1951-52 ..... $219,000

Q. *Kentucky School for the Deaf—Colored.*

1950-51 ..... $15,000
1951-52 ..... $16,000

R. *College Tuition for Negroes.* For expenses of paying

college tuition for Negro students required to go out of the State to obtain higher educational training.

1950-51 ..... $10,000
1951-52 ..... $10,000

S. *Special Education for Handicapped Children.*

1950-51 ..... $35,000
1951-52 ..... $35,000

T. *Teachers' Retirement Fund.* For administering and complying with the obligations of the State under the Teachers' Retirement Act, KRS 161.220 to 161.710,

1950-51 ..... $1,510,000
1951-52 ..... $1,510,000

TOTAL—DEPARTMENT OF EDUCATION

1950-51 ..... $25,785,000
1951-52 ..... $25,840,000

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30. UNIVERSITY OF KENTUCKY

A. *Division of Colleges.*

1950-51 ..... $2,300,000
1951-52 ..... $2,300,000

B. *College of Agriculture.*

1950-51 ..... $60,000
1951-52 ..... $60,000

C. *Summer School Session.*

1950-51 ..... $16,500
1951-52 ..... $16,500

D. *Repairs to Buildings.*

1950-51 ..... $60,000
1951-52 ..... $60,000

E. *Strawberry Marketing and Labeling Act.*

1950-51 ..... $1,500
1951-52 ..... $1,500

F. *Library Equipment.*

1950-51 ..... $12,500
1951-52 ..... $12,500

G. *Scientific Laboratory Equipment.*

1950-51 ..... $50,000
1951-52 ..... $50,000

H. *Engineering Equipment.*
1950-51 ..... $27,500
1951-52 ..... $27,500

I. *Experiment Station.* For expenses, including tobacco research,
1950-51 ..... $75,000
1951-52 ..... $75,000

J. *University Research, Including Coal.*
1950-51 ..... $60,000
1951-52 ..... $60,000

K. *Geological Survey.*
1950-51 ..... $37,900
1951-52 ..... $37,900

L. *College of Pharmacy.*
1950-51 ..... $50,000
1951-52 ..... $50,000

M. *Service Laboratories.*
1950-51 ..... $27,500
1951-52 ..... $27,500

N. *Nursery Inspection.*
1950-51 ..... $5,000
1951-52 ..... $5,000

O. *Princeton Sub-Station.*
1950-51 ..... $22,400
1951-52 ..... $22,400

P. *Quicksand Sub-Station.*
1950-51 ..... $22,400
1951-52 ..... $22,400

Q. *Agricultural Extension Work.*
1950-51 ..... $400,000
1951-52 ..... $400,000

R. *Horticulture.* For such expenses as are necessary in performing the duties required of the Kentucky Agricultural Experiment Station KRS 247.060,
1950-51 ..... $11,500
1951-52 ..... $11,500

S. *Dairy Cattle Improvement.*
1950-51 ---------- $15,000
1951-52 ---------- $15,000

T. *Hope-Flannigan Act.* This fund shall be used only for the purposes specified in the Hope-Flannigan Act and then only to the extent that the same is matched by Federal Funds under said Act,
1950-51 ---------- $195,300
1951-52 ---------- $195,300

TOTAL—UNIVERSITY OF KENTUCKY
1950-51 ---------- $3,450,000
1951-52 ---------- $3,450,000

31. EASTERN STATE COLLEGE
A. *Eastern State College.*
1950-51 ---------- $435,000
1951-52 ---------- $445,000

32. MOREHEAD STATE COLLEGE
A. *Morehead State College.*
1950-51 ---------- $360,000
1951-52 ---------- $360,000

33. MURRAY STATE COLLEGE
A. *Murray State College.*
1950-51 ---------- $445,000
1951-52 ---------- $445,000

34. WESTERN STATE COLLEGE
A. *Western State College.*
1950-51 ---------- $500,000
1951-52 ---------- $500,000

35. KENTUCKY STATE COLLEGE FOR NEGROES
A. *Kentucky State College for Negroes.*
1950-51 ---------- $340,000
1951-52 ---------- $340,000

TOTAL—III. EDUCATION
1950-51 ---------- $31,315,000
1951-52 ---------- $31,380,000

IV. AGRICULTURE AND CONSERVATION

36. DEPARTMENT OF AGRICULTURE

A. *Commissioner of Agriculture.* For expenses of the Department and the divisions thereof, including the State Board of Agriculture,

1950-51 ..... $77,000
1951-52 ..... $77,000

B. *Marketing Services.* For expenses, and/or matching funds under the Hope-Flannigan Act,

1950-51 ..... $47,000
1951-52 ..... $47,000

C. *Surplus Commodities Distribution.*

1950-51 ..... $32,000
1951-52 ..... $32,000

D. *T.B. Testing and Indemnities, Bangs' Disease, and Calfhood Vaccination.*

1950-51 ..... $100,000
1951-52 ..... $100,000

E. *4-H Club and Future Farmer Work.* For paying premiums for 4-H and Future Farmer Work and for the promotion and encouragement of 4-H and Future Farmer activities in Kentucky,

1950-51 ..... $14,000
1951-52 ..... $14,000

TOTAL—DEPARTMENT OF AGRICULTURE
1950-51 ..... $270,000
1951-52 ..... $270,000

37. STATE FAIR BOARD

A. *Premiums for State Fair.* For payment of premiums in accordance with KRS 247.170,

1950-51 ..... $65,000
1951-52 ..... $65,000

38. DEPARTMENT OF CONSERVATION

A. *Office of Commissioner.*

1950-51 ..... $46,000
1951-52 ..... $46,500

B. *Division of State Parks.*
1950-51 ---------- $250,000
1951-52 ---------- $250,000

C. *Division of Forestry.*
1950-51 ---------- $125,000
1951-52 ---------- $135,000

D. *Division of Publicity.*
1950-51 ---------- $55,000
1951-52 ---------- $65,000

E. *Division of Soil and Water Resources.*
1950-51 ---------- $60,000
1951-52 ---------- $62,000

F. *Division of Flood Control and Water Usage.*
1950-51 ---------- $25,000
1951-52 ---------- $25,000

G. *Ohio River Valley Sanitation Commission.*
1950-51 ---------- $21,500
1951-52 ---------- $21,500

TOTAL–DEPARTMENT OF CONSERVATION
1950-51 ---------- $582,500
1951-52 ---------- $605,000

TOTAL–IV. AGRICULTURE AND CONSERVATION
1950-51 ---------- $917,500
1951-52 ---------- $940,000

GRAND TOTAL
1950-51 ---------- $57,445,050
1951-52 ---------- $57,778,340

PART TWO

NON-RECURRING COSTS–FROM SURPLUS

There is hereby appropriated out of the surplus cash balance in the State Treasury, to the credit of the General Ex-

penditure Fund as of June 30, 1950 for each of the fiscal years 1950-51 and 1951-52, the following sums for the following departments, boards, commissions and subdivisions of the State Government listed hereinafter, for the following purposes:

I. GENERAL GOVERNMENT

1. DEPARTMENT OF FINANCE

A. *Division of Purchases—Purchase of Paper Revolving Fund.* To be used for the purchase of paper to be held in stock until used by the various budget units. Reimbursement shall be made to this account by the budget units for paper used. Any unexpended or unencumbered balance remaining at the end of either fiscal year shall not lapse, but shall be available for expenditure during and following fiscal year,

1950-51 ---------- $20,000

B. *Division of Purchases—Central Stores Revolving Fund.* To be used for the purchase of supplies and services as contemplated by KRS 42.060 (3). Reimbursement shall be made to this account by the budget units for supplies and services used. Any unexpended or unencumbered balance remaining of such appropriation at the end of either fiscal year shall not lapse, but shall be available for expenditure during any following fiscal year,

1950-51 ---------- $30,000

C. *Division of Purchases—Postage Revolving Fund.* To be used for the purchase of postage to be held in stock until used by the various budget units. Reimbursement shall be made to the account by the budget units for postage used. Any unexpended or unencumbered balance remaining at the end of either fiscal year shall not lapse, but shall be available for expenditure during any following fiscal year,

1950-51 ---------- $22,000

D. *Division of Engineering—Utilities Revolving Fund.* To be used for the purchase of utilities for the various budget units. Reimbursement shall be made to this account by the budget units for utilities used. Any unexpended or unencumbered balance remaining at the end of either fiscal year shall not lapse,

but shall be available for expenditure during any following fiscal year,

1950-51 ----------$10,000

TOTAL—DEPARTMENT OF FINANCE

1950-51 ----------$82,000

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2. DEPARTMENT OF AERONAUTICS

A. *Airport Development.* For airport development as provided for in Chapter 239, 1948 Kentucky Acts embodied in KRS 183.760 through 183.772. No part of this appropriation shall be used for administrative expenses. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ----------$250,000
1951-52 ----------$250,000

3. STATE PROPERTIES AND BUILDING COMMISSION

A. *For Capital Outlay.* For expenditure in accordance with the provisions of KRS 56.440 through 56.550. It is further provided that any necessary amount of this appropriation may be spent for administration and operating expenses. Any balances remaining at the end of the first fiscal year shall carry over to the second,

1950-51 ----------$15,000,000

4. AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD

A. *Topographic Mapping Survey.* For matching available Federal Funds for compilation of modern large scale topographic maps of Kentucky. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ----------$116,000
1951-52 ----------$415,000

B. *Water Survey.* For matching available Federal Funds in conducting surface, ground and quality water surveys. Any

unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ..... $67,000
1951-52 ..... $67,000

C. *Mineral Survey.* For necessary expenses in conducting mineral resources investigations. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ..... $22,500
1951-52 ..... $22,500

TOTAL—AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD

1950-51 ..... $205,500
1951-52 ..... $504,500

TOTAL—I. GENERAL GOVERNMENT

1950-51 ..... $15,537,500
1951-52 ..... $ 754,500

II. WELFARE

5. DEPARTMENT OF HEALTH

A. *Vital Statistics.* For necessary expenses of the vital statistics survey which occurs once every five years. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ..... $25,000

III. AGRICULTURE AND CONSERVATION

6. *Division of Forestry—Capital Outlay.* For capital outlay including moving of nurseries and erection of fire towers. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ..... $47,000
1951-52 ..... $48,000

GRAND TOTAL	
1950-51	$15,609,500
1951-52	$ 802,500

PART THREE

STATE ROAD FUND

There is hereby established for the purpose of paying all costs of operation and maintenance of the Department of Highways and for carrying on its activities and functions, a State Road Fund which shall consist of all of the revenue realized from fees, taxes and license fees levied for State Road Purposes now authorized by law, or that may hereafter be authorized by law, and any additional or other revenues, grants or funds, including any amount which may be received from Federal aid or any other source pursuant to the provisions of KRS 177.030, made available for the construction or reconstruction of public roads or for any other of the activities administered by the Department of Highways. Such receipts and revenues, together with any balance in the existing State Road Fund as of March 31, 1950, shall constitute the State Road Fund for the fiscal years 1950-51 and 1951-52. There is hereby appropriated from the State Road Fund the following amounts for the following departments, agencies, and subdivisions of the State Government, for the following purposes:

I. HIGHWAY DEPARTMENT GENERALLY

1. DEPARTMENT OF HIGHWAYS

A. *Department of Highways.* For use by the Department in activities, functions and duties performed by it as prescribed by law, all monies received and placed to the credit of the State Road Fund, not otherwise appropriated in this or any other act.

2. RURAL HIGHWAYS

A. *Division of Rural Highways.* For improvement, construction, reconstruction and maintenance of county roads and

bridges, which have not been accepted by the Department of Highways for maintenance, the sum of Five Million ($5,000,000) Dollars for each of the fiscal years 1950-51 and 1951-52. This appropriation is to be expended in accordance with the provisions of KRS 179.410 to 179.430. Not more than six per cent (6%) of this appropriation shall be used for administration.

B. *Secondary and Rural Roads.* For the construction, reconstruction and maintenance of secondary and rural roads, two-sevenths of all revenue received under the provisions of KRS 138.220. This appropriation is in addition to the amount appropriated under section I, sub-section 2, paragraph A of Part Three of this Appropriation Act.

II. TRANSFER TO OTHER FUNDS

3. DEPARTMENT OF REVENUE

A. *Department of Revenue.* For administering and enforcing the laws pertaining to the gasoline, motor fuels and any other taxes comprising the State Road Fund, and administering and enforcing the laws relating to motor vehicle registration, motorist's financial responsibility and other laws relating to motor vehicles and highways. This appropriation is in addition to the amount appropriated to the Department from the General Expenditure Fund in section I, subsection II, paragraph A, of Part One of this Appropriation Act,

1950-51 ---------- $672,000
1951-52 ---------- $672,000

4. DEPARTMENT OF BUSINESS REGULATION

A. *Division of Motor Transportation.*

1950-51 ---------- $250,000
1951-52 ---------- $257,000

5. DEPARTMENT OF THE TREASURY

A. *Department of the Treasury.* For expenses pertaining to treasury administration for the Department of Highways. This appropriation is in addition to the amount appropriated to the Department from the General Expenditure Fund in section

I, sub-section 8, paragraph A, of Part One of this Appropriation Act,

1950-51 ----------$15,000
1951-52 ----------$15,000

6. DEPARTMENT OF FINANCE

A. *Department of Finance.* For expenses pertaining to financial and personnel administration for the Department of Highways. This appropriation is in addition to the amount appropriated to the Department from the General Expenditure Fund in section I, sub-section 10, paragraph A, of Part One of this Appropriation Act,

1950-51 ----------$37,750
1951-52 ----------$37,750

7. DEPARTMENT OF STATE POLICE

A. *Department of State Police.* For expenses of operation of the Department as provided by law. This appropriation is in addition to the amount appropriated to the Department from the General Expenditure Fund in section I, sub-section 16, paragraph A, of Part One ot this Appropriation Act,

1950-51 ----------$ 999,600
1951-52 ----------$1,141,210

8. AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD

For expenses pertaining to the following projects. This appropriation is in addition to the amount appropriated to the Board from the General Fund Surplus in section I, sub-section 4, paragraphs A, B, and C of Part Two of this Act,

A. *Topographic Mapping Survey.*
1950-51 ----------$116,000
1951-52 ----------$415,000

B. *Water Survey.*
1950-51 ----------$33,000
1951-52 ----------$33,000

C. *Mineral Survey.*
1950-51 ----------$22,500
1951-52 ----------$22,500

TOTAL—AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD	
1950-51	$171,500
1951-52	$470,500
TOTAL TRANSFER TO OTHER FUNDS	
1950-51	$2,145,850
1951-52	$2,593,460

III. ADMINISTRATION AND EFFECT

9. All funds appropriated to the Department of Highways by section I of Part Three this Act (Highway Department Generally) shall be allocated equitably by the Commissioner of Highways, with the approval of the Commissioner of Finance, between the various activities and functions of the Department of Highways.

10. The appropriations made by this Act are subject to the provisions of chapters 12, 42 and 45 of the Kentucky Revised Statutes. Nothing in this Act shall be construed to repeal any appropriation for the fiscal year of the State Road Fund ending March 31, 1950.

PART FOUR

REVOLVING, TRUST AND AGENCY FUNDS

There is hereby appropriated to the various boards, commissions, institutions, agencies and/or subdivisions of the State Government only as are listed herein for the fiscal year ending June 30, 1951, and for the fiscal year ending June 30, 1952, all of the fees (which include fees for board and room, athletics, student activities) and rentals, admitttances, sales, licenses collected by law, contributions, gifts, subventions, federal grants and other federal receipts and other miscellaneous receipts produced or received by any of the following agencies of the State Government, except as otherwise specifically provided, for the use and benefit of each of the below named agencies of the State Government, the receipts which are received by each of the respective agencies of the State Government listed herein

which receipts are placed to the credit of a Revolving or Trust and Agency Fund out of which shall be established separate Revolving or Trust and Agency Fund Accounts for the use and benefit of these agencies of the State Government. The total amount any agency may requisition for expenditure from the Revolving or Trust and Agency Fund Account, through the Department of Finance, shall not during the fiscal year ending June 30, 1951, nor during the fiscal year ending June 30, 1952, exceed the amount placed to the credit of the Revolving or Trust and Agency Fund for such year, out of which has been established a Revolving or Trust and Agency Fund account for each separate agency during such fiscal year, plus any balance which said agency may have had forwarded from the preceding year on or before September 30 of the then current fiscal year, by the Department of Finance.

I. GENERAL GOVERNMENT

1. JUDICIARY AND COURT COSTS

A. *Legal Process Taxes.* As contemplated by KRS 47.120.

B. *Board of Bar Examiners.*

2. SECRETARY OF STATE

A. *Expenses of Federal Elections.* All money received from the Federal Government to reimburse the State for expenses incurred in elections for Federal Officers.

3. AUDITOR OF PUBLIC ACCOUNTS

A. *County Audits.* For the use and benefit of said office in the examination of records of county officers receiving or disbursing public money belonging to the county, all of the fees that may be collected for the fiscal year, as provided in KRS 43.070, and all other fees that may be received in connection with such examination.

4. DEPARTMENT OF FINANCE

A. *Truck Licenses—County Portion.* There shall be credited to this fund for the purpose of distribution to counties such portion of truck licenses as is provided by law, at such times as the Department of Finance may order.

B. *County Process Tax.* As contemplated by KRS 47.110.

5. DEPARTMENT OF REVENUE

A. *Operators Licenses.* The revolving fund account established for the Department by the provisions of KRS 186.410 to be used for the purpose of administering the provisions of KRS 186.400 to 186.640, is hereby abolished as of June 30, 1950, and the revenue derived therefrom shall be credited to the Road Fund.

B. *Gasoline Tax Refund.* The Gasoline Tax Refund Expense Account established by the provisions of KRS 138.356 is hereby abolished as of June 30, 1950, and the revenue derived therefrom shall remain in the Road Fund.

C. *Back Tax Section (Delinquent Taxes).* There shall be credited to this Revolving Fund such fees and revenues as are provided for by KRS 134.400.

6. DEPARTMENT OF MILITARY AFFAIRS

A. *Industrial Peace Officers.* All fees paid under KRS 61.360.

B. *Adjutant General Welfare Fund.*

C. *Division of Armories.*

7. DEPARTMENT OF AERONAUTICS

A. *Department of Aeronautics.*

8. DEPARTMENT OF STATE POLICE

A. *Department of State Police.*

9. AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD

A. *Agricultural and Industrial Development Board.*

10. DEPARTMENT OF LIBRARY AND ARCHIVES

A. *Kentucky Historical Society.*

B. *Library Extension Division.*

C. *State Board for Certification of Librarians.*

11. DEPARMENT OF BUSINESS REGULATION

A. *Division of Insurance-Fire Prevention.* All fees, receipts, collections and assessments paid into the State Treasury during the calendar years 1950 and 1951, under KRS 136.360, and also an amount equal to twenty-five percent (25%) of all fees and

other receipts paid into the State Treasury during such years, pursuant to the provisions of sub-sections (1) to (10) of KRS 296.320, are hereby appropriated to the Division of Insurance, Fire Prevention and Rates Section, for the fiscal years ending June 30, 1951, and June 30, 1952, respectively.

B. *Division of Insurance—Custodian of Securities.* All sums paid for expenses under the provisions of KRS 297.350.

C. *Insurance Examiners Expense.*

D. *State Board of Accountancy.*

E. *State Board of Examiners and Registration of Architects.*

F. *State Board of Barbers and Beauticians Examiners.*

G. *State Board of Chiropractic Examiners.*

H. *State Board of Dental Examiners.*

I. *State Board of Embalmers.*

J. *State Board of Pharmacy.*

K. *State Board of Pharmacy—Prophylactic Enforcement.*

L. *State Board of Examiners of Trained Nurses.*

M. *State Board of Veterinary Examiners.*

N. *State Board of Professional Engineers.*

O. *State Real Estate Commission.*

P. *State Board of Psychologists.*

Q. *Public Service Commission.* The fees collected subject to Provisions of KRS 278.130 to 278.150.

12. DEPARTMENT OF INDUSTRIAL RELATIONS

A. *Workmen's Compensation Board.* Subject to the Provisions of KRS 342.485 and 342.122.

B. *Unemployment Tax—Employers (Administration).*

13. DEPARTMENT OF MINES AND MINERALS

A. *Department of Mines and Minerals.*

14. DEPARTMENT OF BANKING

A. *Department of Banking.*

15. STATE PROPERTY AND BUILDINGS COMMISSION

A. *State Property and Buildings Commission.*

16. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

A. *Jefferson County Master Commissioner.*

B. *Jefferson County Fees.* For paying various officials of Jefferson County seventy-five percent (75%) of the fees provided by law to be paid by the State to such officials when such claims for fees have been presented to the Department of Finance in the form and manner prescribed by law and approved by the Commissioner of Finance, and to pay to the Fiscal Court of said County twenty-five percent (25%) of said fees as may be required by KRS 64.350.

C. *Kenton County Fees.* For paying various officials of Kenton County seventy-five percent (75%) of the fees provided by law to be paid by the State to such officials when such claims for fees have been presented to the Department of Finance in the form and manner prescribed by law and approved by the Comissioner of Finance, and to pay to the Fiscal Court of said County twenty-five percent (25%) of said fees as may be required by KRS 64.350.

D. Any other counties that may come within the purview of KRS 64.350 and Section 106, Kentucky Constitution, during the fiscal years ending June 30, 1951 and June 30, 1952.

II. WELFARE

17. DEPARTMENT OF WELFARE

A. *Mental Hospitals.*

B. *Penal Institutions.*

C. *Kentucky Children's Home.*

D. *Home for Incurables.*

E. *Agricultural Production.*

F. *Metal Stamping Plant.*

G. *Children's Home Society.*

H. *Mallory Investment.*

18. DEPARTMENT OF ECONOMIC SECURITY

A. *Department of Economic Security.*

B. *Bureau of Employment Security.* There is hereby appropriated out of the Unemployment Compensation Administra-

tive Fund, contributions paid into the fund pursuant to KRS 341.290 for each of the fiscal years ending June 30, 1951 and June 30, 1952, for the use of the Department of Treasury for ordinary recurring expenses of operation not to exceed the sum of $4,620, per year for the administration and payment of claims upon the Treasurer arising out of and appertaining to the administration of the Unemployment Insurance Commission.

19. DEPARTMENT OF HEALTH

A. *Department of Health.*

B. *County Health Units and Departments.*

C. *Heart Disease.*

D. *Kentucky Division of Women's Field Army of American Society for Control of Cancer.*

E. *Kentucky Crippled Children's Commission.*

20. STATE TUBERCULOSIS SANATORIA COMMISSION

A. *State Tuberculosis Sanatoria Commission.*

III. EDUCATION

21. DEPARTMENT OF EDUCATION

A. *Department of Education.*

22. UNIVERSITY OF KENTUCKY

A. *University of Kentucky.*

23. EASTERN STATE COLLEGE

A. *Eastern State College.*

24. MOREHEAD STATE COLLEGE

A. *Morehead State College.*

25. MURRAY STATE COLLEGE

A. *Murray State College.*

26. WESTERN STATE COLLEGE

A. *Western State College.*

27. KENTUCKY STATE COLLEGE FOR NEGROES

A. *Kentucky State College for Negroes.*

IV. AGRICULTURE AND CONSERVATION

28. DEPARTMENT OF AGRICULTURE

A. *Commissioner of Agriculture.* Frozen Food Locker Fees, Dog Law Enforcement, Inspection-Stockyard Weighmen, Inspection-Tobacco Warehouse Weighmen, Inspection of Apiaries, Hatchery and Young Poultry Dealers Fees.

B. *Marketing Services.*

29. STATE FAIR BOARD

A. *Continuing Fund-Operation.*

B. *Construction Fund.*

30. DEPARTMENT OF CONSERVATION

A. *Division of State Parks.*

B. *Division of Forestry.*

C. *Division of Publicity.*

D. *Division of Soil and Water Resources.*

E. *Kentucky National Park Commission.*

F. *National Forest Fund.*

G. *Federal Flood Control Payments.*

31. GAME AND FISH

A. *Division of Game and Fish.*

PART FIVE

GENERAL PROVISIONS

1. Nothing in this Act shall be construed to repeal any appropriation for the general fiscal year ending June 30, 1950, or for the fiscal year of the State Road Fund ending March 31, 1950, and nothing in this Act is to be construed to amend or alter the provisions of Chapter 42 of the Kentucky Revised Statutes pertaining to the duties and powers of the Commissioner of Finance.

2. In enacting this Budget Appropriation Law, it is the deliberate intention of the General Assembly to enact each section, and each subsection thereof, as a separate and/or specific appropriation and law, and if any section or any subsection thereof shall be held invalid, or unconstitutional the decision of

the courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.

3. All continuing appropriations in existence at the time this Act takes effect are hereby discontinued and repealed by this Act, except as provided by Chapters 12, 42 and 45 of the Kentucky Revised Statutes. All laws and parts of laws in conflict with any of the provisions of the above enactments, to the extent of such conflict, are hereby repealed.

4. WHEREAS, the fiscal year of the Department of Highways ends March 31, 1950, and said Department will be without funds on which to operate for three months following said date if this Act becomes effective by normal operation of law, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

By Messrs. Calvert and Taylor.

H. B. No. 15. AN ACT relating to the certification of agricultural seeds and plant parts, and declaring an emergency to exist.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. (1) Where certification in Kentucky is requested for agricultural seeds or plant parts for propagation, produced outside of Kentucky and intended for sale in Kentucky, the request may be granted only when that part of the production process which has taken place outside the state has been certified by the agency responsible for certification in the state, province, or country where it originated, and then only when the standards of certification there are accepted by the Director of the Kentucky Experiment Station.

(2) Where certification is requested for agricultural seeds or plant parts for propagation produced in Kentucky but eligible for certification outside of Kentucky and intended for sale outside of Kentucky, the request may be granted providing the pro-

duction process conforms with requirements of the agency responsible for certification in the state, province or country in which such seeds or plant parts are eligible for certification, and further that such certification does not denote suitability or adaptability of said seeds or plant parts for use in Kentucky. The Director of the Kentucky Experiment Station is authorized to issue, when necessary, certificates or statements showing that the particular seeds or plant parts so certified are not suitable or adapted for use in Kentucky.

(3) As used in this Act, the terms "cerification" and "agricultural seeds" shall have the same meaning as defined in KRS 250.010.

Sec. 2. Whereas, a large portion of the agricultural seeds and plant parts to the certification of which this Act is applicable is now being processed and will be ready for marketing within the immediate future and prior to June, 1950.

NOW THEREFORE, in order to prevent great loss and damage to producers from any and all delay in certification and marketing, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

H. B. No. 16. AN ACT relating to agricultural seeds, amending Sections 250.040, 250.050, 250.060 and 250.070, of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 250.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as provided in subsections (2) and (3) of this section, every lot of agricultural seeds, when in bulk or a container of one pound or more, or in the case of tobacco seed of one-quarter ounce or more, shall have affixed, in a conspicuous place on the exterior of the container of the seeds, a label in plainly written or printed English, in a manner prescribed by the director, stating:

(a) The commonly accepted name of the seeds;

(b) The approximate percentage by weight of purity, which means the freedom of the seeds from inert matter and from other seeds distinguishable by their appearance;

(c) The approximate total percentage by weight of weed seeds;

(d) The name and approximate number per ounce of each kind of noxious weed seeds present, per ounce of agricultural seeds;

(e) The approximate percentage of germination of agricultural pure seeds designated, together with the month and year the seeds were tested;

(f) The full name and address of the seller of the seed; and

(g) The name of the state where the seed was grown, and if this is unknown, a statement to that effect.

(2) The Seal of Certification of the Kentucky Seed Improvement Association approved by the Director of the Kentucky Agricultural Experiment Station shall be accepted in lieu of the written or printed tag or label required herein.

(3) A gummed label approved by the Director of the Kentucky Agricultural Experiment Station shall be accepted on packages of uncertified tobacco seed in lieu of the written or printed tag or label required herein. Each package of uncertified tobacco seed shall have clearly written or printed on the container the name and address of the seedsman, kind and variety of seed, approximate percentage of pure seed, approximate percentage of germination and the month and year the germination test was made.

Sec. 2. Section 250.050 of the Kentucky Revised Statutes is amended to read as follows:

Mixtures of agricultural seeds which contain two or more kinds of such seeds, each present in excess of five percent by weight of the total mixture, shall when sold, offered or exposed for sale as mixtures in containers of more than one pound, have affixed, in a conspicuous place on the exterior of the container of such mixture, a label in plainly written or printed English, stating;

(1) That the seed is a mixture;

(2) The name and approximate percentage by weight of each kind of agricultural seed per-cent in excess of five percent by weight of the total mixture:

(3) The approximate percentage by weight of total weed seeds:

(4) The name and approximate number per ounce of each kind of noxious weed seeds present;

(5) The approximate percentage of germination of each kind of agricultural seed present in the mixture if it is in excess five percent by weight, together with the month and year the seed was tested;

(6) The full name and address of the seller of the mixture; and

(7) The name of the state where the seed was grown, and if this is unknown, a statement to that effect.

Sec. 3. Section 250.060 of the Kentucky Revised Statutes is amended to read as follows:

Special mixtures of agricultural seeds, except as specified in KRS 250.050, shall, when sold, offered or exposed for sale in bulk, or containers in exces of one pound, have affixed in a conspicuous place on the exterior of the container of the mixture a label in plainly written or printed English, stating:

(1) That the seed is a mixture;

(2) The name of each kind of agricultural seed present in proportion of five percent or more of the total mixture;

(3) The approximate total percentage by weight of weed seeds;

(4) The approximate percentage, by weight, of inert matter;

(5) The name and approximate number per ounce of each kind of noxious weed seeds present; and

(6) The full name and address of the seller of the mixture.

Sec. 4. Section 250.070 of the Kentucky Revised Statutes is amended to read as follows:

The labels specified in KRS 250.040 to 250.060 shall be purchased from the director or his agent. Prices of the labels shall be eight cents each for one hundred pound labels, six cents each for seventy-five pound labels, four cents each for fifty pound labels and two cents each for twenty-five pound labels for alfalfa, sweet clover and all grass and clover seeds or mixtures of any of these, and four cents each for one hundred pound labels, three cents each for seventy-five pound labels, two cents each for fifty pound labels, and one cent each for twenty-five pound labels, for all other agricultural seeds except tobacco. The gummed labels for uncertified tobacco seed shall be furnished for one cent each.

By Mr. Horn.

H. B. No. 17. AN ACT relating to working hours for members of the police department of cities of the third class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In cities of the third class, the members of the police department, other than the chief of police, shall not be required to work more than eight hours per day for six days each week, except in the event of an emergency.

By Mr. McPherron.

H. B. No. 18.. AN ACT relating to payment of expense allowances to, and compensation of, the members of the General Assembly and the Lieutenant-Governor of the Commonwealth of Kentucky, and declaring an emergency to exist.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 6.190 of the Kentucky Revised Statutes is amended to read as follows:

Each senator and representative, other than the Speaker of the House of Representatives, shall receive twenty dollars a day during his attendance on, and fifteen cents per mile for necessary travel in going to and returning from, the sessions of the General Assembly.

Sec. 2 Section 6.200 of the Kentucky Revised Statutes is amended to read as follows:

The President of the Senate and the Speaker of the House of Representatives shall each receive twenty dollars per day while attending the sessions of their respective bodies.

Sec. 3. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) Each member of the General Assembly and the Lieutenant-Governor of the State shall be paid out of the State Treasury, each month, the sum of $100.00, which sum is hereby declared to be the equivalent of the minimum sum that each Member of the General Asembly and the Lieutenant-Governor will expend each month, in performance of his official duties, for postage, telephone service, supplies, stationery, stenographic assistance, books and periodicals. The Commissioner of Finance shall, on the first of each month, draw his warrant on the Treasurer in favor of each Member of the General Assembly and the Lieutenant-Governor, for the sum above stated, and the same shall be paid out of the General Fund. The sums so received shall be expended by each Member of the General Assembly and the Lieutenant-Governor in his discretion, the the manner in which the same shall be applied in payment or reimbursement of such expenses being determined by the Members of the General Assembly and the Lieutenant-Governor.

(2) The monthly expense herein provided shall not apply at any time when Members of the General Assembly and the Lieutenant-Governor are at the Capitol and in official session, and at which time they are drawing the per diem now provided by statute.

Sec. 4. WHEREAS, present economic conditions are such as to impose an unconscionable burden upon the General Assembly and the Lieutenant-Governor of the Commonwealth, and to create a threat to the expeditious administration of the Mem-

bers of the General Assembly and the Lieutenant-Governor for the performance of duties to their constituents, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

By Mr. Love.

H. B. No. 19. AN ACT empowering justices of the peace to serve on county road committees and providing for payment of a per diem therefor, amending subsection (3) of Section 67.110 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (3) of Section 67.110 of the Kentucky Revised Statutes is amended to read as follows:

County commissioners or justices of the peace shall not receive any other compensation for their services or any compensation for serving on committees of the fiscal court except that in counties where the fiscal court controls and supervises the county roads through a committee of its members the justices of the peace serving on that committee shall be paid out of the county treasury six dollars for each day of actual service; but no justice of the peace shall receive such per diem for more than five days in any one calendar month.

By Mr. Morgan.

H. B. No. 20. AN ACT relating to the holding of primary elections in cities of the second, third and fourth classes organized and governed under the City Manager form of government, amending subsections (1), (2) and (9) of Section 89.440 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (1) of Section 89.440 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall be elected to the office of mayor, police judge or commisisoner without first having been nominated in the manner provided in this subsection. The primary election for the nomination of candidates to be voted for at the next regular election shall be held on the first Saturday in August of the year in which such officers are to be elected and shall be held between the hours of 6:00 a. m. and 4:00 p. m., at the regular poling places in each election precinct of the city. It shall be conducted by the same officers chosen and acting in the same manner, with the same rights and duties, as in the primary election for the nomination of candidates of political parties to be voted for at the next regular election.

Section 2. Subsection (2) of Section 89.440 of the Kentucky Revised Statutes is amended to read as follows:

(2) Each applicant for nomination shall, at least forty-five days before the day of the primary election, file with the county clerk a petition signed by at least one hundred voters, in a city of the second class, or by at least fifty voters, in a city of the third or fourth class, in the following form:

"We the undersigned, qualified voters of the city of———, and residing each at the place indicated opposite his name, do hereby request that the name of———— be placed on the ballot as that of an applicant for nomination for the office of ————, at the primary election to be held in our city on the first Saturday in August before the next regular election. We know the applicant to be a qualified voter of the city and a person of good character, and he is, in our judgment, qualified for the duties of said office.

Name	Number	Street
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The petition shall be verified by the affidavit of some person as to the genuiness of the signatures and addresses of the signers. No voter shall sign more than one petition with reference to each office that is to be filled. If any voter signs more than one petition of applicants for nomination for mayor or police judge,

or signs the petitions of more applicants for nomination for commissioners than the number of commissioners to be elected, the name of that petitioner shall not be counted as a valid name on any petition.

Section 3. Subsection (9) of Section 89.440 of the Kentucky Revised Statutes is amended to read as follows:

(9) The expense of printing the ballots used for the nomination of city officers at the primary election shall be paid by the city.

H. B. No. 21. AN ACT relating to the obtaining of credit for merchants.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Any merchant in this state, before extending credit to any person applying for same, may require such person to sign, in presence of two witnesses, a credit statement containing such information as is reasonably required to determine the credit rating of the person.

Sec. 2. Any person who makes a false statement in any credit statement executed under Section 1 of this Act shall be deemed guilty of obtaining property under false pretenses, and shall be confined in the county jail for not more than six months or fined not more than five hundred dollars, or both.

H. B. No. 22. AN ACT relating to the meetings of boards of commissioners in cities operated under the City Manager form of government, amending Section 89.550 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 89.550 of the Kentucky Revised Statutes is amended to read as follows:

The board of commissioners shall meet at least once a week for the transaction of business during the months of October, November, December, January, February and March, and shall meet at least twice a month during the months of April, May, June, July, August and September. It shall fix, by ordinance, the time of holding its regular meetings. A special meeting may be called by the mayor or by two commissioners. All meetings shall be public.

By Mr. Horn.

H. B. No. 23. AN ACT relating to the maintenance of streets or roads in subdivisions outside of the limits of cities in counties containing a city of the third class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In counties containing a city of the third class, any street or road located outside of the corporate limits of an incorporated city which is a street or road of a subdivision established by a recorded plat that dedicates the street or road to public use, shall be maintained by the fiscal court of the county in the same manner that roads established under KRS 178.115 are maintained, if:

(1) The street or road is at least one thousand feet in length and at least fifty percent of the lots abutting the street or road contain houses which are occupied; and

(2) The street or road has been or shall be so constructed as to meet the approval of the county road engineer or, if there is no county road engineer, the approval of the fiscal court, such approval being based upon the established standards for county road construction within the county.

By Mr. Maurice G. Howard.

H. B. No. 24. AN ACT relating to deadly weapons.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 435.230 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person, not expressly authorized by law, who carries a deadly weapon, other than an ordinary pocket-knife, on or about his person, or any person who sells a deadly weapon, other than an ordinary pocket-knife, to a minor, shall be fined not less than $100.00 nor more than $500, or imprisoned in the county jail for not less than ten or more than forty days, or both, for the first offense; and for each subsequent offense shall be fined not less than $500 nor more than $1,000 or imprisoned in the county jail for not less than two months nor more than six months, or both.

(2) Sheriffs, constables, marshals, policemen and other ministerial officers, when necessary for their protection in the discharge of their official duties; United States mail carriers, when actually engaged in their duties; and agents and messengers of express companies, when necessary for their protection in the discharge of their official duties, may carry concealed deadly weapons on or about their persons.

The county judge, county attorney and sheriff of any county, acting concurrently, shall, upon the application of and a reasonable showing of necessity by a resident of the county, issue to such resident a permit to carry concealed a deadly weapon. Any permit issued under this subsection shall be valid only during the current terms of office of the issuing officers. Each person obtaining a permit under this subsection shall give a bond to the Commonwealth in the penal sum of $500 conditioned upon lawful use of the weapon for which the permit was issued.

H. B. No. 25. AN ACT relating to the distribution of the common school fund as provided for by Section 157.010.

Said bill is as follows, viz:

PREAMBLE.

WHEREAS, Section 157.010, Kentucky Revised Statutes, creates the common school fund, and

WHEREAS, Section 157.020, Kentucky Revised Statutes, provides "No part of the common school fund or of the revenue thereof distributed to school districts shall be used for any purpose other than the payment for the teachers of the common schools legally qualified and employed," and

WHEREAS, Section 157.030, Kentucky Revised Statutes, provides that the net revenue of the common school fund during each year shall constitute a sum to be distributed, and

WHEREAS, Section 157.050, Kentucky Revised States, provides the present method of distribution of said school fund to the school districts, and

WHEREAS, Section 157.051, Kentucky Revised States, provides for a special fund appropriated out of the general fund for the purposes of equalizing educational service in local school districts, and

WHEREAS, it is the intent and purpose of the General Assembly that all of the funds, either from the common school fund or the equalization fund, to be used solely for the purpose of payment of salaries of legally qualified and permanently employed teachers, and

WHEREAS, the present provisions of the law provide for the apportionment of common school fund and the equalization fund according to school districts, and

WHEREAS, it is the intent of the General Assembly to make the distribution of said funds to said school dictricts by establishment of a basic salary according to the number of qualified and permanently employed teachers in said districts to be paid direct by the Treasurer of the Commonwealth of Kentucky to the teachers, certified by the proper officials of said school districts; now, therefore,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

(1) Sections 157.050, 157.055, and 157.060, Kentucky Revised Statutes, are hereby specifically repealed and the following is enacted in lieu thereof as a new and separate section of Chapter 157 of Kentucky Revised Statutes.

(2) The Superintendent of Public Instruction, as provided in Section 157.040, Kentucky Revised Statutes, shall make the apportionment of the common school fund pursuant to the census of any school district determined as now provided by the provisions of Chapter 157, Kentucky Revised Statutes. The Superintendent of Public Instruction shall continue to apportion the equalization funds in the same manner as now provided by the provisions of Chapter 157 of Kentucky Revised Statutes. Upon said apportionment being made of the common school fund and the equalization fund to the school districts of the Commonwealth of Kentucky, the Superintendent of Public Instruction shall certify the amounts of said apportionment for each respective school district to the Department of Finance.

(3) The Superintendent of any school district, or the proper officials thereof, shall, on or before fifteen days prior to the convening of schools in such school district, certify under a sworn statement the qualified and legally and permanently employed teachers in such school districts. In such certification he shall state the name, address, the age, the salary provided for by the contract with the teacher, the school in which employed, the grade or grades of school in which said teacher will be used. whether in graded or high school, and the number of months of the term of such school in such district. Such certification shall be mailed by registered mail to the Superintendent of Public Instruction of the Commonwealth of Kentucky. The Superintendent of Public Instruction shall then determine the basic salary for the teachers in such district by dividing the total apportionment of common school fund and the equalization fund, if any of such district, by the number of the certified teachers legally and permanently employed in such district. The Superintendent of Public Instruction shall certify to the Department of Finance the basic salaries, the aggregate of which shall equal the total aportionment to such school district, for the teachers of said district, and shall attach thereto the list of the teachers and their addresses, certified as hereinabove provided, together with the number of months of school term in such school district.

(4) The Department of Finance upon receipt of the certification of the qualified and legally and permanently employed teachers in such district, together with the number of months of such school term in such district, shall on the first day of each

month for the number of months of such school term in said district, issue a warrant to the Treasurer of the Commonwealth of Kentucky providing for the issuance of checks by the Treasurer of the Commonwealth of Kentucky direct to the teacher so certified and in the amount to which such teachers are entitled as their basic salary in such school district from the apportionment of state support to such school district.

(5) The proper officials of the school district shall supplement in the manner now provided by law from local district school revenue for the difference between the basic salary paid direct from the funds apportioned to said district from state support and the amount of salary provided for by the contract or otherwise.

(6) Nothing in this Act shall interfere with the provisions of law now existing relating to the raising of revenue by the proper officials in local school districts.

(7) The basic salary established in each school district shall be determined solely upon the number of permanently employed and qualified teachers and any emergency teacher shall be paid from funds derived from local school district revenue. In the event of a teacher vacancy in any of the school districts caused by death, removal, or resignation of any teacher thererin, the proper officials of such school district upon the employment of a qualified permanent teacher to fill such vacancy, shall in the same manner certify such replacement to the Superintendent of Public Instruction of the Commonwealth of Kentucky and the name of the newly employed teacher shall take the place of the teacher whose death, removal, or resignation caused such vacancy.

(8) All laws or parts of laws in conflict herewith are hereby repealed.

By Mr. Weintraub.

H. B. No. 26. AN ACT relating to marriage and divorce; placing restrictions on the remarriage of divorced male persons.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. No male resident of this state who has been or hereafter is divorced, and who has one or more children of the marriage under seventeen years of age, may remarry (except a remarriage with the divorced wife) without having procured a circuit court order permitting the remarriage. If the divorced wife has custody of the children and is a resident of this state, the order must be obtained from the circuit court of the county in which the wife resides; otherwise, it may be obtained from the circuit court of the county in which the husband resides. In a case where there has been more than one divorce, and there are children under seventeen years of age of more than one of the marriages, the order must be obtained from the circuit court of the county in which resides the most recently divorced wife who has custody of children and is a resident of this state; otherwise, it may be obtained from the circuit court of the county in which the husband resides. The court shall grant permission to remarry only upon proof, satisfactory in the discretion of the court, that the applicant has complied with the terms of the divorce decree relating to the support of the divorced wife and minor children, and that he has sufficient financial means and income to support a second family.

Section 2. (1) Application for an order granting permission to remarry shall be made by motion, supported by affidavit of the notice of motion, shall state the purport of the motion, and the time and place at which the motion will be made, and shall be accompanied by a copy of the affidavit. Where the divorced wife has custody of the children, the notice shall be served upon her. Where the legal custody of the children is vested in some person other than the wife or the applicant, the notice shall be served upon such person. Where no person has the legal custody, or where the applicant himself has the legal custody, the notice shall be served upon the children. Service shall be as provided in the Civil Code for service of notice of motions.

(2) In cases where notice of motion is required to be served upon the children, the court, upon hearing of the motion, shall appoint a guardian ad litem to represent the interests of the

children, and shall adjourn the hearing for such time as may be necessary to enable the guardian ad litem to make an adequate investigation and response to the motion.

(3) The affidavit in support of the motion shall state the facts with reference to the divorce decree, identifying the court by which the decree was granted, and setting forth the date of the decree and the substance of its provisions with reference to support and custody of the children. The affidavit shall also set forth the facts as to whether the applicant has complied with the divorce decree, has ever been cited for contempt for failure to comply with the decree, or has been prosecuted for nonsupport, and whether he is financially able to comply with the divorce decree and support an additional family. The affidavit shall further state the amount and character of the applicant's assets, his annual earnings for the curent year and the preceding five years, and the nature and circumstances of his occupation or employment.

(4) Upon the hearing of the motion, the court may cause such evidence to be taken as it deems necesary for a just and proper decision.

Section 3. In a case where the divorced wife, having custody of the children, has remarried, the ability and willingness of her present husband to support the children may be taken into consideration in determining whether the applicant for permission to remarry has sufficient financial ability to provide for the proper support of an additional family.

Section 4. Every male person applying for a marriage license shall be required to state in writing, under oath, on forms furnished by the county court clerk, whether he has been divorced and whether he has any children by a former marriage under the age of seventeen, and if so, their names, ages and addresses. If the statement discloses that he has been divorced and has such children, the county court clerk shall not issue a license, except for remarriage to the divorced mother of the children, unless and until the person shall file with the clerk a certified copy of the judgment of divorce, and of any subsequent orders modifying the judgment, and a certified copy of a court order, issued pursuant to this Act, granting such person permission to remarry.

Section 5. Any marriage entered into in violation of this Act shall be void.

Section 6. The marriage in any other state of a male person who has been a resident of this state within six months immediately preceding such marriage, and who has not complied with this Act, shall conclusively be presumed to be void in the event he shall return to this state within twelve months immediately following such marriage to reestablish or continue his residence in this state.

Section 7. (1) Any applicant for a marriage license who willfully makes a false statement concerning the matters required to be stated by him under oath in the form required by Section 4 of this Act shall be confined in the penitentiary for not less than one nor more than five years.

(2) Any county court clerk or deputy who issues a marriage license without obtaining the sworn statement required by Section 4 of this Act, or who issues a marriage license without there being filed with him a certified copy of the divorce judgment and subsequent orders, and a certified copy of a court order granting permision to remarry, in any case where such filing is required by Section 4 of this Act, shall be fined not less than one hundred dollars nor more than five hundred dollars.

H. B. No. 27. AN ACT relating to the compensation of grand and petit jurors in circuit courts, amending subsection (1) of Section 29.390 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (1) of Section 29.390 of the Kentucky Revised Statutes is amended to read as follows:

Grand jurors and petit jurors in all circiut courts shall each be paid three dollars per day for jury service, except that in circuit courts in counties containing cities of the second class the pay shall be five dollars per day. Persons whose names are on the jury list for jury service in circuit courts, or are summoned

under KRS 29.280 to supply a deficiency, who appear in person in court in response to summons, who reside outside of the corporate limits of the city in which the court sits, and who did not claim exemption or ask to be relieved from jury service, shall receive three dollars per day for each day they are required to be and are in attendance, even though they are not sworn or accepted for jury service, except that in circuit courts in counties containing cities of the second class they shall receive five dollars per day for each day.

By Mr. Fannin.

H. B. No. 28. AN ACT exempting war veterans from poll taxes; amending subsection (2) of Section 142.020 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (2) of Section 142.020 of the Kentucky Revised Statutes is amended to read as follows:

(2) Any honorably discharged soldier, sailor or marine who served ninety days or more in the military or naval forces of the United States during the period of actual hostilities in any war with foreign powers, and who was a resident of this state at the time of his induction into service, is exempt from all poll taxes.

Ordered that said bills be printed and referred.

ORDERS OF THE DAY

The House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 1. A JOINT RESOLUTION appropriating the sum of Fifteen Hundred Dollars ($1,500.00) for a contingent fund or the Clerk of the Senate, and appropriating the sum of Fifteen Hundred Dollars ($1,500.00) for a contingent fund for the Clerk of the House.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That for the purpose of paying such expenses as the Chief Clerk of the Senate of Kentucky is directed to incur by the Senate of Kentucky, there is set aside out of the appropriation made by Chapter two (2) of the Acts of 1948 for legislative sessions as a contingent fund, the sum of Fifteen Hundred ($1,500.00) Dollars, and for the purpose of paying the expenses incurred by the Chief Clerk of the House of Representatives, under the direction of the House of Representatives, of the Commonwealth of Kentucky, there is hereby set aside out of the appropriation made by Chapter two (2) of the Acts of 1948 for legislative sessions as a contingent fund, the sum of Fifteen Hundred ($1,500.00) Dollars. Said respective funds, shall be paid out on warrant of the Department of Finance on requisition of the Chief Clerks of the Senate and of the House of Representatives.

WHEREAS, it is necessary that these contingent funds for the Chief Clerks of the Senate and House of Representatives be immediately available, an emergency is hereby declared to exist and this Resolution shall be effective from and after its passage and approval by the Governor of the Commonwealth of Kentucky.

Ordered that said resolution be read at length the third time.

The Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken thereon in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Clarence J. Barnum	Leonard T. Bean
Bill Adams	Sidney Baer	John D. Beatty
Edgar Arnett	C. E. Baumgardner	Fred Beshear

R. O. Blevins	Woodrow W. Hollan	Hobart Rayburn
Edward O. Bridgers	Chester J. Holsclaw	W. R. Reasor
Thomas L. Britton	W. M. Horn, Jr.	Carl J. Ruh
Charles J. Bronston	Richard R. Houpt	Amos Runyan
J. D. Buckman, Jr.	Maurice G. Howard	Dr. Roy Sanders
Mrs. Mary Burnett	Silas Jacobs	LeRoy Saylor
Charles W. Burnley	Paul S. Jonas	Roy Searcy
Alex Calvert	Barkley Jones	Paul J. Shannon
Stanley Carter	William Jones	Jesse H. Shelton
Paul Combs	James W. Lambert	Forest Smith
Josh R. Cosby	Jesse H. Lawrence	Joseph T. Snapp
B. H. Crider	Mrs. J. T. Linton	John M. Spaulding
Owen Deering	Homer E. Losey	J. Claude Stacy
G. I. Drury	A. L. (Chick) Love	Roy Steers
Thomas R. Duncan	True Mackey	Raymond D. Stigall
R. C. Estepp, Sr.	Damon Majors	Mrs. Thelma Stovall
Mitchell S. Fannin	John Martin	W. R. Stringer
Henry C. Hale	William T. Marshall	M. G. Thompson
C. A. Hammons	Jack McPherron	Lyle H. Webb
James P. Hanratty	Alton Mitchell	Ralph N. Walter
George F. Harris	Archie R. Moore	Morris Weintraub
Paul S. Hayes	Emmett G. Moore	Charles W. Wirsch
John A. Head	Fred H. Morgan	Fred M. Warns
Harold G. Helm	C. S. Nabb	Harry L. Waterfield
William K. Henry	Dr. C. E. Palmore	Adron Doran,
E. R. Hilton	James H. Polsgrove	Speaker
Ray Holbrook	Leonard W. Preston	—88

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The House then took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 2. A JOINT RESOLUTION appropriating additional compensation for officers and employees of the House and Senate, and declaring an emergency.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That there is hereby appropriated from the Legislative Session Fund as additional compensation for the following officers and employees of the Senate and House of Representatives:

Assistant Clerk

Enrolling Clerk

Sergeant-at-Arms

Doorkeeper

Cloakroom Keepers (2)

Janitor

Pages (4)

to that compensation as provided for in KRS 6.230, the sum of Two Hundred and Fifty Dollars ($250.00) per diem, for each body, for the duration of the 1950 Regular Session.

That the aforesaid amount shall be prorated among the aforenamed constitutional officers and employees, according to the per diem set forth in KRS 6.230, and shall be by the Department of Finance charged to the account of the aforenamed officers and employees of the Senate and the House of Representatives on this basis.

That the Chief Clerk of the Senate and the Chief Clerk of the House of Representatives are directed to issue vouchers to the Commissioner of Finance, who shall draw his warrant in favor of the Chief Clerk of the Senate and the Chief Clerk of the House of Representatives for the abovenamed amounts, and that the Chief Clerk of the Senate and the Chief Clerk of the House of Representatives are further directed to distribute the additional compensation to the above mentioned officers and employees as provided in KRS 6.230.

WHEREAS, it is necessary that this additional compensation be received by the officers and employees of the 1950 regular session in order to expedite properly the business of the

Senate and the House of Representatives, an emergency is hereby declared to exist and this resolution shall be effective from and after its passage and approved by the Governor of the Commonwealth of Kentucky.

Mr. Hanratty offered the following amendment to said resolution, viz:

Amend printed copy of H. Res. No. 2 on page 2, section 1, line 12, by striking out the words "Two Hundred and Fifty Dollars ($250.00)" and inserting in lieu thereof the words "Two Hundred and Eighty-five Dollars ($285.00)."

Said amendment was agreed to.

Ordered that said resolution be engrossed and read the third time.

The Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken thereon in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Alex Calvert	John A. Head
Bill Adams	Stanley Carter	Harold G. Helm
Edgar Arnett	Paul Combs	William K. Henry
Sidney Baer	Josh R. Cosby	E. R. Hilton
Clarence J. Barnum	B. H. Crider	Ray Holbrook
C. E. Baumgardner	Owen Deering	Woodrow W. Hollan
Leonard T. Bean	G. I. Drury	Chester J. Holsclaw
John D. Beatty	Thomas R. Duncan	W. M. Horn, Jr.
Fred Beshear	R. C. Estepp, Sr.	Richard R. Houpt
R. O. Blevins	Mitchell S. Fannin	Durham W. Howard
Edward O. Bridgers	Henry C. Hale	Maurice G. Howard
Thomas L. Britton	C. A. Hammons	Silas Jacobs
J. D. Buckman, Jr.	James P. Hanratty	Paul S. Jonas
Mrs. Mary Burnett	George F. Harris	Barkley Jones
Charles W. Burnley	Paul E. Hayes	William Jones

James W. Lambert
Jesse H. Lawrence
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
Harry K. Lowman
True Mackey
Damon Majors
John Martin
William T. Marshall
Jack McPherron
Alton Mitchell
Archie R. Moore
Emmett G. Moore
Walter R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
Leonard W. Preston
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
Amos Runyan
Dr. Roy Sanders
LeRoy Saylor
Roy Searcy
Paul J. Shannon
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spaulding
J. Claude Stacy
Roy Steers
Raymond D. Stigall
Mrs. Thelma Stovall
W. R. Stringer
M. G. Thompson
Rev. T. Herbert Tinsley
Lyle H. Webb
Ralph N. Walter
Morris Weintraub
Charles W. Wirsch
Geo. F. Williamson
Fred M. Warns
Harry L. Waterfield
—90

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mrs. Burnett of the Committee heretofore appointed to wait upon the Senate and Governor, reported that they had discharged the duties imposed upon them.

The hour of 8:30 o'clock, p.m., having arrived, that being the hour for the Joint Session of the Senate and House for the purpose of hearing His Excellency, the Honorable Earle C. Clements, Governor of the Commonwealth of Kentucky, the Senate of Kentucky appeared and in order entered upon the floor of the House of Representatives and the Honorable Lawrence Wetherby, Lieutenant Governor and President of the Senate, took the Chair and presided, and the Honorable Adron Doran, Speaker of the House of Representatives, having taken his seat on the right of the President of the Senate, the two Houses were convened in Joint Session, which was composed of a majority of all the members elected to each House.

There being no objection, the call of the roll of the Senate

and House of Representatives in Joint Session was dispensed with.

After a time the Committee aforesaid, appeared upon the floor of the House with His Excellency, Earle C. Clements, Governor of the Commonwealth, who, having taken his place at the Clerk's desk, addressed the General Assembly in Joint Session as follows, viz:

Governor Wetherby, Mr. Speaker and Members of the General Assembly:

Last week we reviewed the general operations of the State government. Tonight, as indicated a week ago, I will discuss with you the financial condition of the Commonwealth and offer for your consideration a budget for the next biennium.

During the past two years Kentucky has operated within the budget adopted by the last General Assembly. We have lived within our income which is the first requirement of sound government.

We have installed better financial control; we have endeavored to get full value for every dollar of public money which has been spent. Our bills have been discounted; our credit is good.

In reviewing the financial condition of the State government two distinct sources of money must be considered.

First, the current surplus in the State Treasury and second the anticipated revenue that wil accrue during the next two fiscal years from various State taxes.

The Commissioner of Finance advises me that, as of January 1, 1950, the amount of the *unencumbered, uncommitted* surplus of general expenditure funds in the State Treasury was approximately 20 million dollars. This fund, accumulated over a period of years, might be considered as our reserve for a rainy day.

It is my considered judgment and recommendation that the surplus should continue to serve during the next biennium, as it did during the past two years, two important functions.

First, part of the reserve should be utilized on nonrecurring expenses, such as capital outlay, for permanent improvements in the State institutions. I recommend that 15 million dollars of the surplus be appropriated for this purpose.

Second, a substantial portion of our surplus, or reserve, should be retained as operating capital and a cushion against unforeseen contingencies.

Such a course is justified by sound fiscal management.

In preparing the recommended budget our task has been to allocate equitably, the amount of money available to provide essential functions of government, between the numerous rightful claimants upon the State's substance.

Requests from the various agencies and departments of government, exclusive of capital outlay, approximate 175 million dollars for the biennium.

The anticipated revenue of the State under our present tax structure based on not a conservative but a liberal estimate will not exceed 115 million dollars. This estimate is predicated on the assumption that there will be little, if any, change in present prosperous conditions.

Therefore, the preparation of the budget requires that we pare down the requests of 175 million dollars to fit the income of 115 million dollars.

I am cognizant of the fact that many agencies of the State government, that many of our hospitals and institutions, our university and colleges, could use constructively more money than is suggested in the submitted budget.

Also, it would be gratifying to me to more nearly meet the requests for public funds in many fields of governmental activities.

We cannot, in fairness, recommend beyond the limits of the State's resources and the solvency of the State Treasury under existing tax laws. This view, I believe you too will share.

I have frankly explained this situation to many of our leaders in various phases of government, including the fields of Education, Public Health and Welfare.

To me and I hope that it will be true also with you, the dollar figures in a State budget have greater meaning if, after grouping related functions, we can see the actual percentages allocated, or in other words, we can see the exact number of cents that each activity receives out of the total State dollar.

To illustrate this, to give us this information, a chart has been prepared. The many individual items in the State budget are arranged into four major groups of related activities.

First, in the amount of money or portion of the tax dollar, is that of Education. Under Education there are grouped, not only the common school fund, but also the recommended appropriations for the universitly, State colleges and the several vocational and specialized schools supported by State appropriations.

Second, another group of related functions include our mental hospitals and other institutions, the broad divisions of economic security—namely old age assistance, aid to the blind, aid to dependent children and child welfare services, the Department of Health and the Tuberculosis hospital program. These we designate Health and Welfare functions.

Third, those functions coming within the jurisdiction of the Department of Agriculture, the State Fair Board and the Department of Conservation which includes among other operations—State parks, forestry, water resources and flood control. These are designated as Agriculture and Conservation.

Finally, all of the other remaining functions of State government, including Executive, Legislative and Judicial, are shown under one heading designated as General Government.

To illustrate this let us look at this chart so that we can all study it.

You will notice that the recommended budget for Education for the next biennium amounts to $62,695,000. This is 54 and one-half cents out of every general fund tax dollar.

In the broad fields of Health and Welfare the appropriation recommended is more than 36 million dollars. This is 31 and one-half cents out of every general fund tax dollar.

Let me emphasize the importance of these figures. Look at this chart as representing the total State dollar.

Eighty-six cents of every tax dollar recommended for expenditure under this budget will go for education, health and welfare. Bear in mind that this is 86 cents out of every dollar of the State's general fund income based on a liberal estimate.

The third group, Agriculture and Conservation, will receive less than 2 million dollars, or one and six-tenths per cent of the total recommended budget.

Out of the remaining 12 and four-tenths per cent, all of the other multitudinous activities of the State government must be operated. In other words, less than 12 and one-half cents out of each tax dollar remains to support all other essential Executive, Legislative and Judicial functions.

Notice on the chart that the Judiciary alone requires 3 and nine-tenths per cent. This includes the operations of the Court of Appeals, office of the Clerk of the Court, Circuit Judges, Commonwealth's attorneys, jury costs and all State financial support to maintain our judicial system.

That leaves only 8 and one-half cents out of the tax dollar to support all remaining general governmental functions. These embrace the costs of the General Assembly and Legislative activities, election costs, such administrative operations as the Departments of Revenue, Finance, Military Affairs, Mines and Minerals, State Police, Agricultural and Industrial Development Board, Alcoholic Beverage Control, Industrial Relations, Library and Archives, Business Regulations, Aeronautics, Statute Revision Commission, Railroad Commission and support of Disabled Ex-Servicemen's Board.

It also includes costs for all remaining elective offices such as the Governor, Lieutenant Governor, Attorney General, Treasurer, Secretary of State and Auditor of Public Accounts and all other appropriations to miscellaneous agencies of the State government.

If there are some who believe that only limited increases have been made during this administration, let the record speak for itself.

Examine the legislative appropriations made in this four years, if the proposed budget is enacted, with the highest appropriations made to the several agencies in any other like number of years by other legislatures.

Prior to the 1948 session of the General Assembly, the greatest appropriation in any other four-year period was made by the 1944 and 1946 legislatures, a period we might speak of as war years. The 1944 and 1946 legislatures appropriated $91,212,387 for general education.

Should this budget be adopted, the appropriation for general education by the legislatures during this administration will total $127,372,267. This is an increase, as you can see on the face, of more than 36 million dollars, or 40 per cent over the highest amount appropriated during any other four-year period in the history of the Commonwealth.

These figures in themselves will portray vividly the progress dollar-wise made by education, resulting from action of the General Assembly during the 1948 and 1950 sessions if the suggested budget is adopted.

The largest appropriation for Health and Welfare by any two former legislatures was also in the war years totaling $40,224,715.

Should you adopt the appropriation for Health and Welfare in the recommended budget there would be appropriated by the legislatures during this administration $65,744,850.

If this budget is adopted the sessions of 1948 and 1950 will go on record as increasing appropriations to Health and Welfare by 25 million dollars, or 60 per cent over any two previous legislatures.

These figures are more impressive than words.

I am not unmindful of the fact that some of our friends in the educational field have been overly zealous in their desires to receive a larger portion of the State's tax dollar.

I don't know about your mail, but I have concrete evidence on the second floor, in the form of a goodly number of letters,

that there has been an organized campaign to high-pressure the 1950 General Assembly and the Governor.

These letters show evidence of a campaign, not only by their similarity, but also the fact that machinery for mass production of mail has been used. They have come from mimeograph, multigraph, duplicator, ditto machine, carbon paper and other equipment for circularized mail. In some instances I have received bundles which, in their haste to rush to the Governor's office, someone failed to have signed.

I can report to you, that as of this afternoon, every letter received by me which had a legible name and address has received an answer. This even includes those that stated I had promised to provide 34 and one-half *billion* dollars. If you think the 34 and one-half *billion* dollar demand excessive, I should point out in fairness, that some of the letters asked for only 34 *thousand* dollars and a few—only 34 *hundred* dollars.

The individuals signing many of these letters have been led to believe, as a candidate, I made a promise to provide 34 and one-half million dollars to the common school fund.

In view of this misguided literary barrage, let us again look at the record.

Time and time again during the campaign of 1947 I endorsed the *objectives* of the Kentucky Education Association. I endorsed those objectives then; I endorse them now. At no time during that campaign, or before it, or after it, have I promised to any man, or any group of men, that I would or could provide a comon school fund of 34 and one-half million dollars.

There are many worthy objectives that I endorse heartily and without reservation. I heartily endorse the objective to eliminate sin from the world, but I have never promised to bring it about, nor do I think I have the ability to bring it about. I have just been working on the side of those who were trying to bring it about. I have also been working on the side of those who were endeavoring to improve educational advantages in Kentucky. To that end I shall continue to strive.

As a candidate in the Primary in 1947 in my opening speech at Glasgow I promised, if elected, to recommend a deficiency

appropriation "to permit a substantial increase in teachers' salaries." Such an appropriation was recommended; the 1948 General Assembly enacted it into law and the teachers were paid.

With respect to the program of the KEA, I said this at Glasgow:

"To meet these long-range needs of Kentucky's school system I have endorsed the *objectives* of the Kentucky Education Association's Program."

Among the thousands of letters which I received, some of the better informed citizens have indicated their appreciation of the progress made by education during this administration, such as the increase in funds for teachers' salaries—including the retroactive payment, the improved assessment procedure, the more equitable distribution of equalization aid and the benefits that will accrue from the passage of the two constitutional amendments, to mention a few of the progressive steps.

As the Democratic nominee for Governor in speaking at Morehead on September 27, 1947 at the opening of the fall campaign, I made the following statement dealing with education which is quoted directly from the text of the Morehead speech:

"All that can be done will be done within the limits of our resources and we shall undertake a program for education which will provide and attain higher standards of excellence than any which ever before have been offered to the people of Kentucky.

"Our party is committed to the *objectives* of the 1947 recommendations of the Kentucky Education Association. We shall work toward the accomplishment of these recommendations at the earliest possible date."

That is what I said. That should be easy of understanding.

I would pose this question to you tonight and a like question to the citizens of Kentucky:

Do not the budgets for 1948 and 1950, provided the latter is adopted, which increase the appropriations for general education from 91 million dollars to 127 million dollars constitute material evidence of both interest and good faith?

If any member of the General Assembly feels that this chart will be informative to others, there will be provided for you and for any educator, school child or taxpayer in Kentucky the same chart in reduced size.

The people of Kentucky have a right to know in detail how their tax dollars are spent and I think it incumbent upon all of us to bring the facts, frankly and honestly, before the people of the State.

I submit this budget to you with the assurance that it has been prepared carefully, that it deals with each of the activities of the State as fairly and as generously as is possible within the limits of solvency. It is a tight budget—a budget that will spend to the limit of the State's anticipated revenues for the next biennium. To that extent I am ready to go. Beyond that, I don't believe you or I should go.

In 1948 when I appeared before the General Assembly to recommend a budget, I stated to the members of the General Assembly that I was prepared to take joint responsibility with them for the enactment of that budget. The General Assembly accepted the budget as written, and under it we have lived and made progress during the past biennium. Not a single department or agency of State government has failed to make substantial advancement under that budget.

I say to you now that I am prepared to take joint responsibility with you for the enactment of the budget that will be presented to you tonight.

It is my considered judgment that under this budget every agency and department of State can live and go forward to the betterment of every man, woman and child in Kentucky.

This budget accomplishes all that is possible of accomplishment within the compass of our resources by the most prudent and judicious use of the money which we have to spend.

Earle C. Clements,

Earle C. Clements,

Governor

GOVERNOR'S BUDGET RECOMMENDATIONS
Distribution by Activity
Fiscal Years 1950-51 and 1951-52

ACTIVITY	1950-51			1951-52		
	Amount	Amount	% of Total	Amount	Amount	% of Total
EDUCATION						
General Education		$25,125,000	43.74		$25,125,000	43.48
University of Kentucky		3,450,000	6.00		3,450,000	5.97
State Colleges		2,080,000	3.62		2,090,000	3.62
Eastern State College	$435,000		(.76)	$445,000		(.77)
Morehead State College	360,000		(.63)	360,000		(.62)
Murray State College	445,000		(.77)	445,000		(.77)
Western State College	500,000		(.87)	500,000		(.87)
Kentucky State College	340,000		(.59)	340,000		(.59)
Other Schools		$660,000	1.15		$715,000	1.24
W. Ky. Vocational Training School	85,000		(.15)	85,000		(.15)
Mayo State Vocational School	75,000		(.13)	90,000		(.16)
N. Ky. Vocational Training School	25,000		(.05)	25,000		(.04)
Lincoln Institute	100,000		(.17)	115,000		(.20)
Schools for the Blind	150,000		(.26)	165,000		(.28)
Schools for the Deaf	225,000		(.39)	235,000		(.41)
TOTAL EDUCATION		$31,315,000	54.51		$31,380,000	54.31
WELFARE						
Department of Welfare		$ 6,000,000	10.45		$ 6,000,000	10.38
Department of Economic Security		9,300.000	16.19		9,300,000	16.10
Department of Health		1,415,500	2.46		1,468,000	2.54
Tuberculosis Sanatoria Commission		1,350,000	2.35		1,350.000	2.34
TOTAL WELFARE		$18,065,500	31.45		$18,118,000	31.36
AGRICULTURE AND CONSERVATION						
Department of Agriculture		$270,000	.47		$270,000	.47
State Fair Board		65,000	.11		65,000	.11
Department of Conservation		582,500	1.02		605,000	1.05
TOTAL AGRICULTURE AND CONSERVATION		$917,500	1.60		$940,000	1.63
GENERAL GOVERNMENT						
Department of Revenue		$ 1,758,000	3.06		$ 1,758,000	3.04
Executive Department		559,900	.97		559,900	.97
Department of Finance		546,250	.95		499,250	.86
Department of Military Affairs		261,500	.45		261,500	.45
Department of Mines and Minerals		240,000	.42		240,000	.42
Department of State Police		200,400	.35		228,790	.40
Department of Alcoholic Beverage Control		185,000	.32		185,000	.32
Elections		173,000	.30		173,000	.30

ACTIVITY	1950-51		1951-52	
	Amount	% of Total	Amount	% of Total
Agricultural & Industrial Development Board	125,000	.22	125,000	.22
Legislative	108,000	.19	335,500	.58
Kentucky Disabled Ex-Servicemen's Board	90,000	.16	92,700	.16
Department of Industrial Relations	90,000	.16	90,000	.16
Department of Library & Archives	89,000	.15	89,000	.15
Department of Business Regulations	88,000	.15	88,000	.15
Department of Law	66,000	.11	68,000	.12
Department of Aeronautics	55,000	.10	55,000	.09
Department of Treasury	48,000	.08	49,000	.08
Auditor of Public Accounts	47,500	.08	47,500	.08
Secretary of State	45,000	.08	45,000	.08
Statute Revision Commission	38,000	.07	20,000	.03
Railroad Commission	28,000	.05	28,000	.05
Lieutenant-Governor	2,400	.01	2,400	.01
Appropriations not Otherwise Classified	53,350	.09	50,050	.09
Judiciary and Court Costs	2,249,750	3.92	2,249,750	3.89
TOTAL GENERAL GOVERNMENT	$ 7,147,050	12.44	$ 7,340,340	12.70
TOTAL	$57,445,050	100	$57,778,340	100

Senator Moloney moved that the Joint Session of the General Assembly do now dissolve.

Said motion was agreed to.

The Speaker announced that he had referred a resolution and bill previously introduced as follows, viz:

H. Res. No. 3.—Committee on Appropriations.

H. B. No. 14.—Committee on Appropriations.

Mr. Hanratty moved that the House do now adjourn to meet again at 1 o'clock p.m., Tuesday, January 10, 1950.

Said motion was agreed to.

And then the House adjourned.

TUESDAY, JANUARY 10, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend Joseph A. O'Dwyer, pastor of the Church of the Good Shepherd, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams
Bill Adams
Edgar Arnett
Walter J. Bailey
Clarence J. Barnum
C. E. Baumgardner
Leonard T. Bean
John D. Beatty
Fred Beshear
R. O. Blevins
L. E. Bradley
Edward O. Bridgers
Thomas L. Britton
Charles J. Bronston
J. D. Buckman, Jr.
Mrs. Mary Burnett
Charles W. Burnley
Alex Calvert
Stanley Carter
Paul Combs
Josh R. Cosby
B. H. Crider
Owen Deering
G. I. Drury
Thomas R. Duncan
R. C. Estepp, Sr.
Mitchell S. Fannin
Henry C. Hale
Chester A. Hammons
James P. Hanratty
George F. Harris
Paul E. Hayes
John A. Head
Harold G. Helm
William K. Henry
E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
Richard R. Houpt
Durham W. Howard
Maurice G. Howard
Robert N. Hubbard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
James W. Lambert
Jesse H. Lawrence
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
Harry K. Lowman
True Mackey
Damon Majors
John Martin
Wm. T. Marshall
Jack McPherron
Alton Mitchell
Archie R. Moore
Emmett G. Moore
W. R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
James H. Polsgrove
L. W. Preston
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
Amos Runyan
Dr. Roy Sanders
LeRoy Saylor
Roy Searcy
Paul J. Shannon
James S. Shaw
Gus Sheehan, Jr.
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spaulding
J. Claude Stacy
Roy Steers
Raymond D. Stigall
Mrs. Thelma Stovall
W. R. Stringer
Egbert V. Taylor
Rev. T. H. Tinsley
Lyle H. Webb
Ralph N. Walter
Morris Weintraub
Charles W. Wirsch
G. F. Williamson
Fred M. Warns
Harry Lee Waterfield
Adron Doran,
Speaker
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Mr. Harris moved that the reading of the Journal of the

proceedings of Monday, January 9, 1950, be dispensed with and the same be approved.

Said motion was agreed to.

Mr. Harris moved that the rules be suspended and the privilege of the floor extended to Messrs. William J. Padon and E. E. Cook.

Said motion was unanimously agreed to.

Mr. Maurice G. Howard rose to a point of personal privilege and stated that had he been present on January 4, 1950, he would have seconded the motion of Mr. Losey for a roll call on a resolution of the following title, viz:

S. Res. No. 9. RESOLUTION extending invitation to President Truman to be the honor guest of the people of Kentucky April 29th next.

Mr. Losey, in presenting a gavel to the Honorable Adron Doran, Speaker, addressed the Speaker and members of the House as follows, viz:

Mr. Speaker and Fellow Members:

The act of Virginia that carved out the Commonwealth of Kentucky declares that the boundary shall begin on seven pines and two black oaks standing on Cumberland Mountain. How noble and how prophetic is this starting point for lines that encompass the heart of the world? Perhaps the patriots and the pioneers who stood on the pinnacle in the long ago, with visions keened and intensified, could envision the great consummation. About them were the eternal hills that God placed there to guard forever our priceless heritage. Out there was the Blue Grass gleaming through the mists like a vast undulating blue sea. Far yonder was the Pennyrile stretching out like a velvet carpet toward the Father of Waters. Let us hope that it was given to them the unloosing of the golden cord that holds the curtain to the future, and that with faith they then beheld the sweeping panorama of Kentucky's rise to greatness and to glory.

Today into our hands has been committed the security of the dreams of the fathers. Into our keeping is now reposed the big concerns of that Commonwealth whose beginning was fixed on the mountain. The giant oaks deeply anchored in the height should challenge us, and call for steadfastness of purpose. The seven pines flaunting their giant height against the sky, should lift our souls above selfishness, time-serving and greed for power. From the arm of an ancient and scarred oak standing where Kentucky begins, a patriarch of the hills preserved through the years a portion of the wood. He guarded it as a jewel in the crown of a king, and he cherished it as one of the golden links that bind us to the grand historic past.

That bit of wood, small and futile in itself, has been carved into an instrument that is symbolic of the majesty of democracy and the greatness of Kentucky. I am about to present it to the Speaker of this House. Around it there gleams a halo, that reflects the deep emotions of justice, the tender and fixed sentiments of fairness, that are a part of the soul of Kentucky. Mr. Speaker, I present to you this gavel with its historic origin. I know that you will wield it with courage, with becoming dignity, with rigid fairness and great ability.

Messrs. Maurice G. Howard and Mitchell S. Fannin offered the following resolution, viz:

H. Res. A. A CONCURRENT RESOLUTION calling upon the Department of Highways to construct a bridge across the Cumberland River above Cumberland Falls, said bridge to be designated the "Ed Gatliff Memorial Bridge."

WHEREAS, the present ferry on Highway No. 90, crossing Cumberland River immediately above Cumberland Falls, is unsafe and unsightly, frequently out of repair and out of operation, and is so inadequate to meet traffic requirements that persons desiring to travel through the Cumberland Falls Park area are delayed for substantial periods of time because the ferry cannot handle the traffic load; and

WHEREAS, on at least three occasions the ferry has broken loose and been washed over the Falls, and on at least one occasion has sunk with a loss of property; and

WHEREAS, the construction and maintenance of a suitable highway and bridge up stream from Cumberland Falls will greatly improve the suitability of the Cumberland Falls State Park and will substantially increase tourist revenue;

NOW, THEREFORE,

Be it resolved by the House of Representative of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Sec. 1. The Department of Highways is requested and called upon to immediately undertake the construction of a suitable highway bridge across the Cumberland River above Cumberland Falls, at or about the location of the present ferry crossing. Such bridge may be constructed under the authority provided in KRS 180.020 to 180.250, and be financed through bonds and tolls as provided in those sections, or may be paid for out of the State Road Fund.

Sec. 2. Such bridge, when constructed, shall be designated and known as the "Ed Gatliff Memorial Bridge," in honor of the late outstanding citizen of the Ninth Congressional District who made unparalleled contributions to the development of public roads and bridges in the Commonwealth.

Said resolution was adopted.

A resolution of the following title was introduced, viz:

By Mr. Spaulding.

H. Res. No. 5. JOINT RESOLUTION authorizing Mrs. J. H. Stewart, Administratrix of the estate of Hay Stewart, deceased, to file suit against the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

WHEREAS, Hay Stewart, a corporal and member of the 149th Infantry, Company "A," Kentucky National Guard, stationed at Harlan in Harlan County, Kentucky, in 1933; and

WHEREAS, in the month of August or September, 1933, said Company and said Hay Stewart, a member and a non-commissioned officer thereof, was called into the active service of the State during election troubles in said county growing out of and incident to the primary election of August, 1933 in said county; and

WHEREAS, while the said Hay Stewart was on active duty at and about the Court House of said County, and before the said National Guard became Federalized, he was permanently injured by reason of exposure and arduous and exacting guard duty and exposure to the elements during heavy rains and inclement weather; and

WHEREAS, the said Hay Stewart did not contribute in any way to the sickness, injury and disease with which he became afflicted and from which he continuously suffered by reason of said injuries at all times up to and including the time of his death on November 26, 1944; and

WHEREAS, as the result of said injuries and exposure by day and by night he then became permanently injured and sick in body and mind and suffered excruciating physical pain and mental anguish and was caused to incur great expense for physicians and hospital treatment and medicines;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Mrs. J. H. Stewart, Administratrix of the estate of Hay Stewart, is hereby authorized to sue the Commonwealth of Kentucky for the sum of Twenty-Five Thousand ($25,000.00) Dollars in the Harlan Circuit Court or in the Franklin Circuit Court, the county of the present residence of said administratrix. Such claim, suit or judgment may be settled or compromised upon approval of the Attorney General and certified by the Department of Finance for payment when or if settled or adjudicated, and when or if so settled or adjudicated shall be paid as follows:

The Director of Finance will draw his warrant on the State Treasurer for the amount of any such judgment, settlement or compromise, and the State Treasurer will issue his check for said

sum payable to Mrs. J. H. Stewart, Administratrix of the estate of Hay Stewart, all of which shall be drawn upon and paid out of the General Fund.

No statement in this resolution shall be considered by either the court or the jury as an admission of negligence on the part of the Commonwealth and this resolution shall not be introduced as evidence or commented upon by counsel in the argument of the case to the jury.

Either party to any such suit may appeal from any judgment entered therein to the Court of Appeals as in any other civil action.

Ordered that said resolution be printed and referred.

Bills of the following titles were introduced, viz:

By Mr. Preston.

H. B. No. 29. AN ACT relating to the paying, retaining or drawing of compensation by public officers from funds within their possession or control.

Said bill is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No public officer compensated by fees or otherwise compensated from funds within his custody or control shall, during any compensation period fixed by law for his office, or if no such period is fixed by law, then during any year, pay to himself, retain for his personal use, or otherwise draw as compensation from such funds, any sum in excess of the sum allowable by law to him as compensation for such period or year.

Sec. 2. Any public officer who violates Section 1 of this Act shall become civilly liable to the governmental unit entitled to the funds involved, for the amount of such excess sum so paid, retained or drawn, together with a penalty of twenty percent and interest at the rate of six percent per annum from the end of the compensation period or year involved until repaid.

Sec. 3. Any public officer who fails to repay any excess sum paid, retained or drawn in violation of Section 1 of this Act, together with the penalty and interest provided for in Section 2, within thirty days after the end of the compensation period or year involved, shall forfeit his office.

By Mr. Weintraub.

H. B. No. 30. AN ACT relating to evidence, competency of witnesses, amending Section 455.090 of the Kentucky Revised Statutes and subsection (3) of Section 606 of the Civil Code of Practice.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 455.090 of the Kentucky Revised Statutes is amended to read as follows:

(1) In any criminal or civil prosecution the defendant, on his own request, shall be allowed to testify in his own behalf, but his failure to do so shall not be commented upon or create any presumption against him.

(2) A defendant so requesting to be allowed to testify for himself shall be allowed to testify in chief either before or after any other witness or witnesses have testified for the defense.

Sec. 2. Subsection (3) of Section 606 of the Civil Code of Practice is amended to read as follows:

A party may testify for himself, in chief, in an ordinary action, suit in equity or special proceeding, after introducing other testimony for himself in chief.

H. B. No. 31. AN ACT relating to city managers in cities of the second, third and fourth classes, amending Section 89.560 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 89.560, of the Kentucky Revised Statutes, is amended to read as follows:

(1) The board of commissioners shall select and employ a city manager. He shall be selected solely on the basis of his executive and administrative qualifications. The choice shall not be limited to inhabitants of the city or state. He shall be employed for an indefinite period, in cities of the second and fourth classes, or for a period not exceeding four years in cities of the third class. He shall receive such compensation as may be determined by the board of commissioners. During the absence or disability of the city manager the board of commissioners shall designate some properly qualified person to perform the duties of the office.

(2) In cities of the second class the city manager shall be removable at any time after having served six months without cause by the vote of four of the members of the board of commissioners, and shall be removable during the first six months without cause or at any time for cause, including willful neglect of duty, by a majority vote of the members of the board, but removal shall not be effected by a reduction in his compensation. If removed by the vote of less than four of the members of the board after having served for six months, he may in writing demand that written charges be filed against him by the board and a public hearing held before the board prior to the date on which his final removal shall take effect, but during the hearing the board may suspend him from office. The public hearing shall be fixed by the board not to exceed thirty days after demand therefor. The city manager may be represented by counsel and present evidence at the hearing. In those cases where he may demand that written charges be filed against him he may appeal to the courts from the decision of the board when removed by the vote of less than four of the five members of the board.

(3) In cities of the third and fourth classes the city manager shall be removable at will by the board of commissioners, but removal shall not be effected by a reduction in his compensation. If removed at any time after having served for six months he may in writing demand written charges and a public hearing before the board of commissioners prior to the date on which his final removal shall take effect, but during the hearing the board of commissioners may suspend him from office. The public hearing

shall be fixed by the board of commissioners not to exceed thirty days after demand therefor.

By Dr. Sanders and Mr. Runyan.

H. B. No. 32. AN ACT imposing an additional tax upon the sale or distribution by sale or gift of malt beverages, and providing for the appropriation and use of the revenue derived therefrom.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec.1. There is levied upon the sale or distribution by sale or gift within this state of malt beverages an excise tax of $1.25 each barrel of thirty-one gallons and a proportional rate per gallon on malt beverages sold or distributed in any container of more or less than thirty-one gallons. This tax shall be in addition to the tax imposed by KRS 243.720.

Sec. 2. The provisions of KRS 243.740 to 243.860 and the provisions of subsections (7), (8), (9) and (10) of KRS 243.990 shall apply to the tax imposed by this Act the same as they apply to the tax imposed by subsection (3) of KRS 243.720.

Sec. 3. The revenue derived from the tax imposed by this Act during the fiscal years 1950-1951 and 1951-1952 hereby is appropriated, for those fiscal years, to the Common School Per Capita Fund, for the payment and increase of the monthly salaries of teachers and for no other purpose, this appropriation to be in addition to any other appropriation made by any other Act to this Common School Per Capita Fund.

By Mr. Britton.

H. B. No. 33. AN ACT relating to elections.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 119.040 of the Kentucky Revised Statutes is amended to read as follows:

The primary election for the nomination of candidates by political parties to be voted for at the next regular election shall be held on the Saturday next preceding Labor Day of each year between the hours of 6:00 a.m. and 4:00 p.m., at the regular polling place in each election precinct.

By Mr. Crider.

H. B. No. 34. AN ACT relating to taxicab operations.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 281.471 of the Kentucky Revised Statutes is amended to read as follows:

No person shall operate a taxicab in competition with a common carrier over the route or any part of the route covered by the certificate of the common carrier, except:

(1) Such operations may be made on casual trips, but on such casual trips the operator of the taxicab shall not pick up passengers along the route, and shall not on the return trip carry any passengers other than those carried on the original trip.

(2) Any legally qualified taxicab operator operating from an established stand, may operate his taxicab over any public highway in this State and, in going to or returning from his stand, may pick up passengers along the highway if the prospective passenger signals or otherwise solicits the service of the taxicab and if at the time the passenger is picked up a regularly scheduled bus of a common carrier is not immediately due.

By Messrs. Moorman and Reasor.

H. B. No. 35. AN ACT relating to the consolidation of the various revolving fund accounts of the Department of Agriculture.

Said bill is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Those revolving fund accounts created by statute and those established by the biennial budget bill for the use of the Department of Agriculture shall be consolidated into a single revolving fund account within the Revolving, Trust and Agency Fund in the State Treasury to be used by the Department of Agriculture for the administration and enforcement, generally, of those laws under which accrue the receipts paid into the revolving fund account.

By Mr. Bill Adams.

H. B. No. 36. AN ACT amending Section 29.390 of the Kentucky Revised Statutes, relating to the compensation of jurors.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 29.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) Grand jurors and petit jurors in circuit court shall each be paid six dollars per day for jury service. Persons whose names are on the jury list for jury service in circuit court, or are summoned under KRS 29.280 to supply a deficiency, who appear in person in court in response to summons, who reside outside the corporate limits of the city in which the court sits, and who do not claim exemption or ask to be relieved from jury service, shall receive six dollars per day for each day they are required to be and are in attendance, even though they are not sworn or accepted for jury service.

(2) When kept together over night in custody of the sheriff, petit jurors shall receive one dollar additional for each night they are kept together.

(3) In courts inferior to the circuit court each juror shall be paid fifty cents for each case in which he serves.

By Mr. Marshall.

H. B. No. 37. AN ACT repealing Subsection 24 of Section 95.050 of Kentucky Revised Statutes, and to enact in lieu thereof new provisions relating to the time of holding Circuit Court in Lawrence and Johnson County.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. 24th Judicial District, Johnson County at Paintsville, on 3rd Monday in January, 3rd Monday in April, 2nd Monday in September. 24 Judicial days each. Lawrence County at Louisa, 2nd Monday in March, 3rd Monday in June, and 4th Monday in October. 24 Judicial days each.

By Mr. Ruh.

H. B. No. 38. AN ACT creating a department of civil service for the Commonwealth of Kentucky; prescribing the powers, duties and procedure of the civil service board and the Commissioner of Personnel in the state civil service department; providing for and regulating the civil service in the state; permitting counties of the state to establish civil service systems, and prescribing penalties for the violation of the provisions of this Act.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Purpose of this Act.

The purpose of this act is to guarantee to all qualified citizens a fair and equal opportunity to secure employment in the civil service of the Commonwealth of Kentucky; to establish conditions of service which will attract and hold officers and employees of character and capacity; to progressively improve public personnel administration and increase the efficiency of government; and to encourage the adoption or extension of civil

service procedures by the county governments of the Commonwealth.

Section 2. Definitions.

As used in this act, unless the context clearly requires otherwise—

1. *Advancement* means a salary increase within an arranged schedule or established rate of pay for a class of position which is made without examination.

2. *Agency* means a department, a division or branch thereof or other unit of government with appointing authority.

3. *Applicant* means a person who has made an application to take a civil service examination.

4. *Appointing Authority* means the officer or person in a department or unit of government who is empowered to make employments. The words, appointing authority, appointing officer, or appointing power, shall be construed to be synonymous terms.

5. *Board* as used in this act means the civil service board, created by this Act.

6. *Class* means a group of positions sufficiently similar in respect to duties and responsibilities so that the same title may reasonably be applied to each position, the same qualifications may be required, and the same salary may be applied with equity.

7. *Classified Service* means all positions and employments in the service subject to the provisions of this act and is synonymous with competitive service.

8. *Commissioner of Personnel or Commissioner* means the employee who is the administrative and executive head of the department of civil service.

9. *Compensation* means any allowance, fee, salary, or wage paid to an employee or officer for performing the duties and responsibilities of his position or office.

10. *County Civil Service* as used in this act means the administration of the provisions hereof which may be made effective in counties.

11. *Demotion* means a reduction in employment status to a class having a lower maximum rate of pay and less discretion and responsibility.

12. *Department of Civil Service* means the civil service board and commissioner of personnel and his staff.

13. *Departmental Re-employment List* means a list of persons who have been permanently employed in competitive positions in the department for which the list is prepared and have been separated in good standing.

14. *Discharge* means the separation of a permanent employee from the service for cause.

15. *Division or Division of the Service* means a state department or any division or branch thereof, or any agency of the state government, or branch of the state service, all the positions in which are under the same appointing authority.

16. *Eligible* means a person who has qualified by examination, prior service or otherwise as provided in this act, and whose name has been placed on a register.

17. *Emergency Appointment* means an appointment to serve in a position under emergency conditions for not more than ten days.

18. *Employee* means a person who is legally in the service or who is on authorized leave of absence and whose position is held for him upon his return.

19. *Employment List or Entrance Employment List* means a list of names of persons who have been successful in an open competitive examination and who are eligible for employment in a competitive position.

20. *Entrance Examination* means a test for positions in a particular class, admission to which is not limited to persons employed in the state service.

21. *Layoff* means the termination of employment because of the lack of funds or work or because of material changes of organization.

22. *List* means an employment list, a promotion list, a re-employment list, or a departmental re-employment list.

23. *Permanent Employee* means an employee who has permanent status.

24. *Permanent Status* means the acquisition of tenure with all the rights and privileges appertaining thereunto by an employee after the successful completion of his trial service or probationary period.

25. *Position* means any employment or office in the state service.

26. *Probation* means the term of employment or probationary or trial service period, in which an employee works before receiving permanent status.

27. *Probationer* means an employee serving in the probationary or trial service period.

28. *Promotion* means a change in status in accordance with this act from a position in a class with a lower to a class with a higher maximum rate of pay and carrying a greater scope of discretion or responsibility.

29. *Promotional Employment List* means a list of names of employees who have been successful in a promotional examination and are eligible for appointment to higher positions.

30. *Promotion Examination* means a test for positions in a particular class, admission to which is limited to employees in the classified service who have held a position in another class.

31. *Provisional Appointment* means a non-competitive appointment made for a period of not more than ninety days to fill a competitive position pending the establishment of an employment list for the class.

32. *Public Notice* means giving notice either by posting in at least three conspicious places in a public office or building or by publication in a newspaper or both.

33. *Public Hearing* means a hearing held after public notice at which any interested person may have a reasonable opportunity to be heard.

34. *Re-employment List* means a list of names of persons who have been permanently employed in the state service in classified positions and who have been separated from the ser-

vice in good standing and are entitled to have their names certified to appointing authorities.

35. *Regular Employee* means an employee who has been appointed to a position in the classified service in accordance with this act after completing the probationary or trial service period.

36. *Rejection* means the separation of a probationary employee from the service.

37. *Seasonal Employment* means employments which occur, terminate, and recur periodically and regularly.

38. *State Service* means all offices and positions in the employ of the state, other than the military and naval services.

39. *Suspension* means temporary termination of services without pay for disciplinary purposes because of insubordination or misconduct.

40. *Written Notice* as required by this act means the service of notice in writing either to the person directly or by mail. In the case of service by mail, the notice must be deposited in the United States Post Office with postage prepaid and addressed to the person on whom it is to be served at his last known address as it appears on the records of the civil service department. Such service shall be deemed completed at the time of deposit in the post office.

Section 3. The Department of Civil Service.

1. The department of civil service of the Commonwealth of Kentucky is hereby created and established. It shall consist of civil service board of four members, a Commissioner of Personnel and such officers and employees as the Commissioner may find it necessary to appoint to carry out the provisions of this act.

Section 4. Commissioner of Personnel.

1. The Commissioner of Personnel shall be an employee in the classified service. He shall be a person who has had experience in the field of personnel administration and is familiar with its principles and methods. He shall receive an annual salary which shall be established in accordance with the compensation plan adopted under Section 11 of this act, and he shall hold

no other public office except that of notary public and a military office.

2. Within thirty days after the appointment of the board, and thereafter within thirty days after vacancy occurs in the office of the Commissioner of Personnel which cannot be filled from an existing list pursuant to this section, the board shall appoint a special examining committee of three members to conduct an examination for this position. The members of such committee shall be persons who have knowledge of and are in sympathy with the principles of the merit system in public personnel administration.

3. Within ninety days after it is appointed, the examining committee shall hold a competitive examination in accordance with the provisions of this act and on the basis of that test establish an employment list of persons found eligible for appointment as Commissioner of Personnel. Within ten days after the list is established the board shall certify to the governor the names of the three highest ranking eligibles, and the governor within thirty days after certification shall appoint one of them as the Commissioner of Personnel. If the governor fails to make the appointment within the thirty days provided in this act, the board shall appoint as Commissioner the candidate who ranks first on the employment list. Every employment list for Commissioner shall expire one year after it is established.

4. The governor may remove the Commissioner of Personnel for cause, but before taking such action he shall first give to him and the board a statement in writing with reasons therefor. Any time within five days after receipt of such statement in writing the Commissioner may appeal to the board for investigation and review and its decision shall be binding and final.

Section 5. Organization of the Board.

1. The members of the board shall be citizens of the Commonwealth and shall be in sympathy with the application of merit principles to public employment. No member of the board shall be a member of any local, state, or national committee of a political party or an officer or member of a committee in any partisan political club or organization, or shall hold, or be a candidate for, any elective public office. No person shall be ap-

pointed as a member of the board who has held an elective public office or position in a political party within the two years immediately preceding his appointment.

2. The members of the board shall be appointed by the governor, after consultation with the leading civic organizations of Kentucky, and the first members shall be appointed within thirty days after the effective date of this act. Of the members first appointed, one shall be appointed for a term of one year, one for a term of two years, one for a term of three years, and one for a term of four years. Thereafter, each member shall be appointed for a term ending four years from the date of the expiration of the term for which his predecessor was appointed, except that a person appointed to fill a vacancy prior to the expiration of such term shall be appointed for the remainder of the term. Each member of the board shall hold office until his successor is appointed and qualifies.

3. If in the opinion of the governor cause exists for the removal of a member of the board, he shall cause to be served on such member a statement in writing of such cause. Within five days thereafter the member may file a written answer to such charges. The governor shall hold a public hearing and the member shall be entitled to be represented by his own attorney. If the charges are sustained, the member shall stand removed.

4. Members of the board shall each be paid twenty-five dollars for each day devoted to the work of the board but not more than six hundred and fifty dollars in any year. They shall be entitled to reimbursement for necessary traveling and other expenses.

5. The board shall elect one of its members chairman. All meetings shall be open to the public. Three members shall constitute a quorum for the transaction of business.

Section 6. Duties of the Commissioner of Personnel.

1. The Commissioner of Personnel shall direct and supervise all the administrative and technical activities of the department. In addition to the duties imposed upon him elsewhere in this act, it shall be his duty:

a. To attend all meetings of the board, act as its secretary, and keep minutes of its proceedings.

b. To prepare and recommend to the board rules and regulations for the purpose of carrying out the provisions of this act. Such rules shall provide for, among other things, the method of administering the classification plan and the pay plan; current service records for all officers and employees subject to the provisions of this act; the manner of making appointments and promotions; rejection of eligible candidates; competitive examinations; creation of eligible lists with successful candidates ranked according to their rating in the examinations; leaves of absence with and without pay; transfers; discharges; reinstatements; layoffs in inverse order to length of service; vacations; hours of work; public notice of examinations; procedure for changes in rates of pay; and other conditions of employment.

c. To appoint temporary and permanent examiners, includ ing a chief examinor, clerks, stenographer, and such other employees and officers as are necessary to carry out the provisions of this act. Such employees and officers shall be chosen in accordance with and shall be subject to the provisions of this act.

d. To keep in the office of the department of civil service an official roster of the state civil service which shall show the employment history of each and every person who has been appointed to, employed, promoted, reduced or reinstated in any position in such service. This roster shall show in connection with each name the date of appointment, employment, promotion, reduction, reinstatement, increases or decreases in pay, the compensation and title of the position, changes in title, transfers, sick or annual leaves, and separations from the service. The Commissioner shall have access to all public records and papers, the examination of which will aid in the discharge of his duty in connection with such roster.

e. To prepare a classification plan in accordance with the provisions of this act, and present it to the civil service board for adoption.

f. To prepare a compensation plan and present it to the civil service board for approval and recommendation to the governor for adoption in accordance with the provisions of this act.

g. To prepare, in accordance with the provisions of this act and the rules adopted thereunder, examinations, eligible lists, and ratings of candidates for appointment.

h. To make investigations concerning all matters touching the enforcement and effect of the provisions of this act and the rules and regulations prescribed thereunder.

i. To make certifications for appointment within the classified service, in accordance with the provisions of this act.

j. To prepare an annual report and to submit the same to the civil service board not later than September 1 of each year, including therein any recommendations he may have for the most effective accomplishment of the purposes of this act.

k. To discharge such other duties as are imposed upon him by the provisions of this act and to do such things as are lawful and necessary in accomplishing the purposes of this act.

l. To develop, in cooperation with appointing authorities and others, training and educational programs for employees in the state service.

2. The Commissioner may designate an employee of the department to act as his deputy and to serve in his place during his absence.

3. The Commissioner may select officers or employees in the state service to act as examiners in the preparation and rating of tests. An appointing authority shall excuse any employee in his division from his regular duties for the time required for his work as an examiner. Officers and employees shall not be entitled to extra pay for their service as examiners, but shall be entitled to reimbursement for necessary traveling and other expenses.

Section 7. Duties of the Board

In addition to the duties imposed upon it elsewhere in this act, it shall be the duty of the board:

1. To represent the public interest in the improvement of personnel administration in the state service.

2. To advise the governor and the Commissioner on problems concerning personnel administration.

3. To advise and assist the Commissioner in fostering the interest of institutions of learning, civic, professional and employee organizations in the improvement of personnel standards in the state service.

4. To make any investigation which it may consider desirable concerning the administration of personnel in the state service, and to review any action by the department which may appear to be arbitrary, capricious or illegal and make recommendations to the Commissioner with respect thereto.

5. To make annual reports, and such special reports as it considers desirable, to the governor regarding personnel administration in the state service and recommendations for improvement therein.

Section 8. Rules

1. The Commissioner shall recommend to the board rules to carry out the provisions of this act, and he may from time to time recommend amendments thereto. The board shall hold a public hearing thereon and shall have power to approve or reject the recommendations of the Commissioner wholly or in part or to modify them and approve them as so modified. Rules or amendments thereto which are approved by the board shall be submitted to the governor, who shall have power to approve or reject them. Such rules or amendments thereto shall become effective when approved by the governor or on the tenth day after they are submitted to him if prior thereto he shall not have rejected them.

2. Rules adopted under this section shall have the force and effect of law, and among other things shall provide for the method of administering the classification plan and the pay plan; the establishment, maintenance, consolidation and cancelation of lists; the charge, if any, to be made for receipt of applications or admission to tests; the application of performance reports; the hours of work, attendance regulations, and leaves of absence for employees in the classified service; and the order and manner in which lay-offs according to seniority shall be effected.

Section 9. Unclassified and Classified Service.

1. The unclassified service shall comprise the positions of:

a. Members of the General Assembly and all officers elected by popular vote and persons appointed to fill vacancies in elective offices.

b. Members of boards, and commissions and heads of de-

partments appointed by the governor, except the Commissioner of Personnel.

c. One principal assistant or deputy and one private secretary for each board or commission or head of a department appointed by the governor or elected, other than the civil service board and the Commissioner of Personnel.

d. Employees in the governor's office.

e. Employees of the legislature.

f. Judges, referees, receivers, jurors, and notaries public.

g. One secretary or clerk of each judge of a court of record.

h. Officers and members of the teaching staffs and employees of state universities and other state institutions of learning and student employees of such institutions.

i. Persons employed in a professional or scientific capacity to make or conduct a temporary and special inquiry, investigation or examination on behalf of the legislature or a committee thereof, or by authority of the governor.

j. Patient and inmate help in state charitable, penal, and correctional institutions.

k. Officers and members of the Kentucky National Guard.

2. The classified service shall comprise all other positions now existing or hereafter created in the state service.

Section 10. Classification Plan

1. The Commissioner shall ascertain the duties, authority and responsibilities of all positions in the classified service. Within one year after the effective date of this act, and after consultation with the appointing authorities, he shall prepare and recommend to the board a classification plan. The classification plan shall set forth, for each class of positions, a class and a statement of the duties, authority, and responsibilities thereof. Each class of positions may be subdivided, and classes may be grouped and ranked in such manner as may be deemed appropriate. The board shall hold a public hearing on such classification plan. Such plan shall take effect when approved by the board.

2. Additional classes may be established and existing classes may be divided, combined, altered, or abolished upon recommendation of the Commissioner and approval of the civil service

board after public hearing. No person shall be appointed or employed in any such position until it has been properly classified as herein provided and an appropriate eligible register established therefor. After adoption of the position-classification plan by the civil service board, the Commissioner shall allocate every position in the classified service to one of the established classes. Any employee adversely affected by the allocation of a position to a class shall after filing with the Commissioner a written request for reconsideration thereof, be given reasonable opportunity to be heard by the civil service board.

3. The class titles set forth in the classification plan shall be used to designate such positions in all official records, vouchers and communications. No person shall be appointed to or employed in a position in the classified service under a class title which has not been approved by the Commissioner as appropriate to the duties to be performed.

4. Whenever the incumbent of a position which has been reclassified or reallocated fails of advancement to the reclassified or reallocated position under the promotional requirements of this act, at his option he shall be retained in the service without change of status or salary. If his salary before the reclassification or reallocation was higher than the maximum salary prescribed for the class to which his position is reclassified or reallocated, he shall at his option be retained in the service without change of status or salary or he may accept demotion to the pre-allocated or reclassified position whereupon his salary shall be reduced to not less than the maximum prescribed for the class to which his position is reclassified or reallocated. He shall be eligible also for transfer to a vacant position in the class to which his position formerly was allocated, if this class has been retained, or to a vacant position in a comparable class if it has not been retained. If no such position is vacant his name at his request shall be placed on departmental and general re-employment lists for the class to which his position was formerly allocated, if this class has been retained, or for a comparable class if it has not been retained.

Section 11. Compensation Plan

1. The Commissioner, as soon as practicable after adoption of the position-classification plan, shall submit to the civil service

board a proposed plan of compensation showing for each class of positions in the classified service minimum and maximum salary rates and such intermediate rates as he deems desirable. In arriving at such rates he shall take into consideration the advice and suggestions of appointing authorities and other supervising officials, prevailing rates for comparable services in other public employments and in private business, and the current costs of living. The board shall hold public hearings and shall adopt the plan with or without amendments, whereupon it shall be submitted to the governor for necessary final approval.

2. No employee in the service shall be paid a salary less than the established minimum nor greater than the maximum rates fixed in the compensation plan for the position he holds, except that the board may authorize compensation above the maximum to an employee who, at the effective date of the compensation plan, is receiving pay in excess of the rates established in the plan. Amendments to the compensation plan may be made at any time in the manner provided herein for the adoption of the schedules.

Section 12. Methods of filling vacancies in the classified service.

1. Vacancies in the classified service shall be filled only by:

a Appointment of an eligible certified by the Commissioner of Personnel from a list; or

b. Emergency appointment under Section 22 of this act; or

c. Temporary appointment under Section 22 of this act; or

d. Provisional appointment under Section 22 of this act; or

e. Exceptional appointment under Section 22 of this act; or

f. Transfer or demotion of a regular employee.

Section 13. Departmental re-employment and re-employment lists.

The Commissioner shall establish and maintain departmental re-employment lists and re-employment lists, which shall contain

the names of persons who have been regular employees and who were separated from their positions for reasons other than fault or delinquency on their part. The order in which names shall be placed on a departmental re-employment or re-employment list shall be according to seniority earned in the service, and the eligibility of such candidates shall expire two years from the date of their separation from the service in which they earned re-employment rights. The Commissioner may strike the name of a person from a departmental re-employment or a re-employment list or refuse to certify his name for a position if he finds, after giving him notice and an opportunity to be heard, that such person is not qualified to perform satisfactorily the necessary duties.

Section 14. Promotion and Employment Lists.

1. The Commissioner shall establish and maintain such promotion lists and employment lists for the various classes of positions in the classified service as are necessary or desirable to meet the needs of the service. On such lists the eligibles shall be ranked in the order of their earned ratings in the test given or examinations used for the purpose of establishing eligibility.

2. The Commissioner may extend the period of eligibility of a list for not more than two years, and with the approval of the board he may consolidate or cancel promotion and employment lists as the needs of the service may require. A promotion list or employment list which has been in force for six months or more shall be deemed cancelled upon the establishment of a promotion list or employment list for the same class of positions.

Section 15. Examinations.

The Commissioner shall conduct such promotion examinations and entrance examinations as may be necessary. The examinations shall be competitive and shall be of such character as to determine the qualifications, fitness, and ability of the persons tested to perform the duties of the class of positions for which a list is to be established. All examinations must include a written test and may include oral, physical, or other kinds of tests which may be in the form of a demonstration of skill. The examinations may take into consideration such factors, including education, experience, aptitude, capacity, knowledge, character, physical fitness and other qualifications, as, in the judgment of

the Commissioner, enter into the determination of the relative fitness of the applicants. No question shall be so framed as to elicit information concerning the political or religious opinions or affiliations of any applicant. In all entrance examinations veterans of any of the wars of the United States who have successfully completed all phases of an entrance examination or test shall be accorded five points, and veterans who have incurred a service connected disability of not less than ten per cent, recognized and certified as such by the United States Veterans Administration, shall be accorded another five points, in addition to the passing grade earned in the entrance examination or test. The rating shall be based on a scale of 100 points, and the World War II service required for such preference shall include the training service period from September 16, 1940, to December 7, 1941.

Section 16. Admission to Examinations.

The Commissioner shall determine the qualifications for admission to any examinations. For a promotion examination, the qualifications shall include the requirement that an applicant be employed in a position in such class, and for such length of tions as the Commissioner and the board consider necessary for the best interests of the service, admission to examinations shall be open to all persons who appear to possess the required qualifications and may be lawfully appointed to a position in the class for which a list is to be established, and who pay the fee, if any, prescribed by the rules. The Commissioner may, however, reject the application of any person for admission to an examination or may strike the name of any person from a list or refuse to certify the name of any person on a list for a position if he finds that such person lacks any of the required qualifications, or is physically unfit to perform effectively the duties of the position in which he seeks employment, or is addicted to the habitual excessive use of drugs or intoxicating liquor, or has been convicted of a crime or guilty of any notoriously disgraceful conduct, or has made a false statement of a material fact or practiced or attempted to practice any fraud or deception in his application or examination or in attempting to secure appointment.

Section 17. Public Notice of Examinations.

The Commissioner shall give public notice of each entrance examination in advance of such examination by posting a no-

tice thereof on a bulletin board maintained in or near the office of the department or the state capitol and by publishing a brief abstract of such notice in daily newspaper of general circulation in the state.

Section 18. Conduct of Examinations.

1. The Commissioner shall include in announcements of examinations a statement of the approximate number of candidates likely to have opportunity for service as a result of such tests. Competing applicants shall be given written notice of their final earned ratings, and advised whether their standings were high enough to entitle them to have their names placed upon employment lists.

2. In the conduct of an examination when two or more candidates have like averages, their names shall be arranged on the eligible list according to the rating earned in the portion of the examination for which the larger or largest part of the total grade was allowed, and if the tie remains unbroken, then the names shall be arranged on the eligible list in the order in which their applications were filed, and if the tie still remains, the names shall be arranged in alphabetical order. Examination papers shall be open to public inspection at such times and under such reasonable conditions as the civil service board may by rule prescribe.

Section 19. Appointment to Positions of Persons Certified from Lists.

1. No person shall be appointed or promoted to a position in the classified service unless certified as eligible by the Commissioner. Upon written notice of an appointing authority that a position in the classified service is to be filled, the Commissioner shall certify the highest ranking names of persons who are willing to accept appointment from lists for the class to which the position is allocated, or a comparable class, in the following order: Departmental re-employment, re-employment, promotional, and employment lists. The number of names certified from departmental re-employment lists shall be equal to the number of vacancies to be filled, and the number from all other lists shall be two greater than the number of vacancies to be filled. The detailed conditions and provisions for certification

and appointments shall be prescribed by rule of the civil service board.

2. If the appropriate lists do not contain the names of a sufficient number of eligibles willing to accept appointment to make possible the certification of three eligible persons as provided for hereunder, the names of all persons on such lists who are willing to accept appointment shall be certified, even if there should then be fewer than three persons available.

3. The names of persons who have been certified for appointment three times and who have not received appointment and the names of persons who have expressed unwillingness to accept appointment may, in the discretion of the Commissioner be removed from a list.

Section 20. Seasonal Appointments.

Employments in positions which occur, terminate, and recur periodically and regularly regardless of the duration therof shall be designated seasonal, and positions so occupied shall be designated seasonal positions. Incumbents of such positions shall be known as seasonal employees. Whenever positions have been designated by the Commissioner as seasonal, employees regularly certified for and serving satisfactorily in such positions through one seasonal service period shall be entitled to permanent status for the purpose of recertification for service in the same or similar seasonal positions. Whenever the total service period of an employee in such position without seasonal lapse equals six months, the Commissioner may place his name upon regularly established departmental re-employment or service-wide re-employment lists for the same class of position in the permanent service.

Section 21. Probationary or Trial Service Period.

1. Every person appointed to a position in the classified service after certification of his name from an employment list shall serve a probationary or trial service period of six months. At such times during the trial service period and in such manner as the Commissioner may require, the appointing authority shall report to the Commissioner his observation of the employee's work, and judgment as to the employee's willingness and ability to perform his duties satisfactorily, and as to his habits and de-

pendability. At any time during his trial service period, after the first two months thereof, the appointing authority may remove an employee if, in the opinion of the appointing authority, the trial service indicates that such employee is unable or unwilling to perform his duties satisfactorily or that his habits and dependability do not merit his continuance in the service. Upon such removal, the appointing authority shall forthwith report to the Commissioner and to the employee removed his action and the reason therefor. No more than three employees shall be removed successively from the same position during their trial service periods without the approval of the Commissioner. The appointing authority may remove an employee within the first two months of his probationary period only with the approval of the Commissioner. The Commissioner may remove an employee during his trial service period if he finds, after giving him notice and an opportunity to be heard, that such employee was appointed as a result of fraud or error.

2. Ten days prior to the expiration of an employee's trial service period, the appointing authority shall notify the Commissioner in writing whether the services of the employee have been satisfactory and whether he will continue the employee in his position. In the absence of action by the employing authority or the notice as provided herein, the appointment shall become permanent at the end of the probationary or trial service period.

3. If any employee is removed from his position during or at the end of his trial service period, and the Commissioner determines that he is suitable for appointment to another position, his name may be restored to the list from which it was certified. If any such employee was a regular employee in another position in the classified service immediately prior to his appointment, his name shall be placed on the departmental re-employment and re-employment lists for the class of the position in which he was a regular employee; provided any employee rejected during his trial service period from a position to which he was promoted shall be reinstated to his former position unless charges are filed and he is discharged as provided in this act.

Section 22. Extraordinary Appointments.

1. To prevent stoppage of work or inconvenience to the

public in case of an emergency, any appointing authority may appoint any person to any position for the duration of the emergency, but not to exceed ten days in any one year. Emergency appointments shall be reported immediately to the Commissioner and may be disallowed by the Commissioner and the civil service board.

2. Whenever there is need of an employment for a temporary period not to exceed ninety days, a selection may be made of any available person on the appropriate employment promotional, or re-employment list without regard to standing thereon. Successive temporary appointments of the same person to the same position shall not total more than ninety days in any one year.

3. If there is no appropriate list available, the Commissioner may authorize a provisional appointment of a person meeting the minimum prerequisites for the class to which the position is allocated. No position shall be filled by provisional appointment for longer than sixty days nor more than once in any fiscal year, nor shall any one person be appointed as a provisional employee more than once in any fiscal year.

4. In the case of a position or employment for which peculiar and exceptional qualifications of an educational, professional, or technical character are required, and it is evident that competition in such a case is not practicable and that the position can best be filled by the selection of some designated person of high and recognized attainments in such employment, the Commissioner with the unanimous approval of the civil service board may authorize employment without examination, but notice of such employment shall be published or posted with a statement of the reasons therefor.

Section 23. Transfer and Assignment in the State Service.

An appointing authority may at any time assign an employee from one position to another position in the same class or rank in his division. Upon making such an assignment the appointing authority shall forthwith give written notice of his action to the Commissioner. A transfer of an employee from a position in one division to a position in the same class or rank in another division may be made with the approval of the Commissioner and of the appointing authorities of both div-

isions. No employee shall be transferred from a position in one class to a position in another class of a higher rank or for which there are substantially dissimilar requirements for appointments unless he is appointed to such latter position after certification of his name from a list in accordance with the provisions of this act. Any change of an employee from a position in one class to a position in a class of lower rank shall be considered a demotion and shall be made only in accordance with the procedure prescribed by Section 30.

Section 24. Variation of Appointing Procedures for Unskilled and Custodial Positions.

For positions involving unskilled or semi-skilled labor or domestic, attendant or custodial work, when the character or place of the work makes it impracticable to supply the needs of the service by appointments made in accordance with the procedure prescribed by this act, the Commissioner subject to the rules may adopt or authorize the use of other appropriate procedures in order to meet the needs of the service while assuring the selection of such employees on the basis of merit and fitness. Such procedures may include the testing of applicants and maintenance of lists of eligibles by localities; the testing of applicants, singly or in groups, at periodic intervals, at the place of employment or elsewhere, after such notice as the Commissioner considers adequate; the registration of applicants who pass a non-competitive test or submit satisfactory evidence of their qualifications; or any variation or combination of the foregoing, or other suitable method.

Section 25. Standards of Performance.

In cooperation with appointing authorities, the Commissioner shall establish, and may from time to time amend, standards of performance for employees in each class of positions in the classified service or for groups of classes, and a system of service reports based upon such standards. Any employee upon whom a report has been rendered shall have the right at reasonable times to inspect the report and to discuss it with the reporting officer. Thereafter the employee may file with the director written comments or statements thereon which shall become a part of the record.

Section 26. Leaves of Absence, Vacation, Sick and Disability Leaves.

Written leave of absence without pay, leave of absence as vacation with pay, and sick leave with pay shall be granted in accordance with rules. Upon expiraiton of a leave without pay the employee shall be reinstated to the position held before the leave was granted. Failure of the employe to report promptly at the expiration of the leave shall be cause for dismissal. Leave of absence as vacation and sick leave may be cumulative.

Section 27. Status of Present Officers and Employees.

To prevent delay, injury, or interruption in the public service by reason of the enactment of this law all persons holding positions in the service and by this act made subject to its provisions who have held such positions for six months or more shall hold their positions as civil service employees subject to determination by the Commissioner during the ensuing six-month period that they are qualified for the positions they hold. Officers and employees who have less than six months of actual service shall hold their positions subject to such qualifying examinations as may be required by rule. All employees to whom the provisions of this section are applicable shall file with the Commissioner upon forms provided by him a history of their employment and such data as he may require for employee service records.

Section 28. Certification of Pay Rolls.

1. The Commissioner of Finance shall not make or approve or take any part in making or approving any payment for personal service to any person holding a position in the state service unless the pay roll voucher or account of such pay bears the certification of the Commissioner of Personnel or his authorized agent that the persons named therein have been appointed and employed in accordance with the provisions of this act and the rules regulations and orders thereunder.

2. Any sum paid contrary to any provision of this act or of any rules, regulation or order thereunder may be recovered, in an action maintained by any citizen, from any officer who made, approved or authorized such payment or who signed or countersigned a voucher, pay roll, check or warrant for such payment, or from the sureties on the official bond of any such officer. All

moneys recovered in any such action shall be paid into the state treasury. Any citizen may maintain a suit to restrain a disbursing officer from making any payment in contravention of any provision of this act, or of any rule, regulation or order thereunder.

3. Any person appointed or employed in contravention of any provision of this act or of any rule for its enforcement who has performed services for which he has not been paid, may maintain an action against the officer or officers who purported so to appoint or employ him to recover the agreed pay for such services, or the reasonable value thereof if not pay was agreed upon. No officer shall be reimbursed by the state at any time for any sum paid to such person on account of such services.

4. If the Commissioner wrongfully withholds certification of a salary warrant or pay roll voucher or account of any employee, such employee may maintain proceedings to compel the Commissioner to certify such document.

Section 29. Layoffs.

1. Whenever a reduction in employees is required because of a shortage of funds or work or a material change in duties or organization, employees shall be laid off in inverse order to length of service in accordance with rules to be established by the civil service board.

2. In every case of layoff of a permanent officer or employee the appointing authority shall fifteen days before the effective date thereof give written notice to the employee and the Commissioner. In any case where an appointing authority refuses or fails to certify before the effective date thereof, that the layoff was for reasons not reflecting discredit on the employee, it shall be deemed a dismissal and shall be subject to the provisions concerning dismissals as provided in this act.

3. Subject to approval by the Commissioner a regular employee whose position is discontinued may be transferred to a vacant position in the same or comparable class, or may elect to accept demotion to a vacant position for which he is qualified and have his name placed upon the appropriate re-employment list. Whenever the duties of a position become changed so as to require re-classification of the position, the incumbent thereof, with the approval of the Commissioner, may be retained in the

position under the new classifications, or at his option, may be either transferred to a vacant position in the class to which the position was formerly allocated or placed on the re-employment list for that class. Whenever the position is reclassified to a higher class, the incumbent of such position may be advanced thereto, if he can demonstrate his qualifications by passing a non-competitive examination for the class, or if he is unable to meet such non-competitive requirements, he shall be continued in the service under his old title and at his old salary.

Section 30. Suspensions, Reductions, Demotions and Discharges.

1. The civil service board by rule shall establish a procedure in accordance with this act for the suspension, reduction in pay, demotion, and discharge of employees in the service for misconduct, inefficiency, or other just cause and for the investigation and hearing of appeals of such suspended, reduced, demoted, or discharged employees.

2. The appointing authority for disciplinary purposes may suspend a permanent employee without pay. Notice of such suspension shall be transmitted immediately to the Commissioner. A suspended employee, within five days, may appeal to the civil service board which shall have power to investigate the action directly or through the Commissioner. The board may confirm or reduce the suspension and may order the payment of part or all of the salary to the employee for the period during which he was suspended. Whenever an appointing authority decides to reduce an employees' salary within the range for the class to which his position is allocated, or to demote an employee to a lower class, or to discharge a permanent employee, written notice and reasons therefor shall be furnished the employee and the civil service board at least five days prior to the effective date of such reduction, demotion, or discharge. The Commissioner shall promptly investigate the circumstances surrounding the action and shall report his findings to the civil service board. Any time within ten days after the receipt of the notice of reduction, demotion, or discharge the employee may appeal in writing to the civil service board for investigation and review. The civil service board within two weeks of the receipt of the written appeal, shall give the reduced, demoted, or discharged

employee opportunity for an open hearing. Like opportunity shall be given the appointing authority. The procedure of all hearings before the board shall be informal. Each party shall be afforded an opportunity to present his case and may have subpoenas issued to require the attendance of witnesses. Within five days after the conclusion of the hearing the board shall render a decision which shall be final and binding, except as provided otherwise in separate statutes or in accordance with constitutional guarantees.

Section 31. Services to Political Subdivisions.

1. Subject to the rules, the Commissioner may enter into agreements with any municipality or political subdivision of the state to furnish services and facilities of the department to such municipality or political subdivision in the administration of its personnel on merit principles. Any such agreement shall provide for the reimbursement to the state of the reasonable cost of the services and facilities furnished. All municipalities and political subdivisions of the state are hereby authorized to enter into such agreements.

2. The Commissioner may cooperate with governmental agencies for other jurisdictions charged with personnel administration in conducting joint tests and establishing joint lists from which eligibles shall be certified for appointment in accordance with the provisions of this act.

Section 32. Oaths, Testimony, and the Production of Records.

The board, each member of the board, and the Commissioner shall have power to administer oaths, subpoena witnesses, and compel the production of books and papers pertinent to any investigation or hearing authorized by this act. Any person who shall fail to appear in response to a subpoena or to answer any question or produce any books or papers pertinent to any such investigation or hearing or who shall knowingly give false testimony therein shall be guilty of a misdemeanor.

Section 33. Refusal to Testify.

If any employee in the state service shall wilfully refuse or fail to appear before any court, or judge, any legislative committee, or any officer, board or body authorized to conduct any

hearing or inquiry, or having appeared shall refuse to testify or answer any question relating to the affairs or government of the state or the conduct of any state officer or employee on the ground that his testimony or answers would tend to incriminate him, or shall refuse to waive immunity from prosecution on account of any matter about which he may be asked to testify at any such hearing or inquiry, he shall forfeit his position and shall not be eligible for appointment to any position in the state service.

Section 34. Duty to Furnish Facilities.

All officers and employees of the state and of municipalities and political subdivisions of the state shall allow the department the reasonable use of public buildings under their control and furnish heat, light and furniture, for any examination, hearing or investigation authorized by this act. The department shall pay to a municipality or political subdivision the reasonable cost of any such facilities furnished by it.

Section 35. Duties of State Officers and Employees.

1. All officers and employees of the state shall comply with and aid in all proper ways in carrying out the provisions of this act and the rules, regulations and orders thereunder. All officers and employees shall furnish any records or information which the Commissioner or the board may request for any purpose of this act.

2. A state officer or employee who shall fail to comply with any provisions of this act or of any rule, regulation or order thereunder shall be subject to all penalties and remedies now or hereafter provided by law for the failure of a public officer or employee to do an act required of him by law. The Commissioner may maintain such action or proceeding at law or in equity as he considers necessary or appropriate to secure compliance with this act and the rules, regulations and order thereunder.

Section 36. Records of the Department.

The records of the department, except such records as the rules may require to be held confidential for reasons of public policy, shall be public records and shall be open to public inspection, subject to regulations as to the time and manner of inspection which may be prescribed by rule.

Section 37. Activity Incompatible with Public Service Prohibited.

No person in the classified service shall directly or indirectly use or seek to use his official authority or influence to control or modify the political action of any person, or during the hours of duty, engage in any form of political activity. No public officer or employee shall receive or be in any manner concerned in receiving or soliciting any money or valuable thing from any officer or employee or person in the classified service for any political party or purpose. Every employee of the state shall fulfill to the best of his ability the duties of his office or position and shall prove himself in his behavior at all times worthy of the esteem which his position requires. In his official activity the employee shall pursue the common good and not only be impartial but so act as neither to endanger his impartiality or give occasion for distrust of his impartiality. No employee of the state shall engage in any activity or enterprise inconsistent, incompatible, or in conflict with his duties as a public employee. Nothing in this section, however, shall be construed to prohibit any officer or employee of the state from taking a legitimate part in and interest as a citizen in his government.

Section 38. Unlawful Acts Prohibited.

1. No person shall make any false statement, certificate, mark, rating or report with regard to any test, certification or appointment made under any provision of this act or in any manner commit or attempt to commit any fraud preventing the impartial execution of this act and the rules.

2. No person shall, directly or indirectly, give, render, pay offer, solicit or accept any money, service or other valuable consideration for or on account of any appointment, proposed appointment, promotion or proposed promotion to, or any advantage in, a position in the classified service.

3. No employee of the department, examiner, or other person shall defeat, deceive or obstruct any person in his right to examination, eligibility, certification or appointment under this act, or furnish to any person any special or secret information for the purpose of affecting the rights or prospects of any person with respect to employment in the classified service.

Section 39. Penalties.

1. Any person who wilfully violates any provision of this act or of the rules shall be guilty of a misdemeanor, and shall upon conviction be punished by a fine of not less than $100 nor more than $3000 or by imprisonment for a term not exceeding two years, or by both such fine and such imprisonment.

2. Any person who is convicted of a misdemeanor under this act shall for a period of five years be ineligible for appointment to or employment in a position in the state service, and if he is an officer or employee of the state, shall forfeit his office or position.

Section 40. Administrative Costs.

The administrative expenses and cost of operating the department of civil service shall be paid by the various divisions of the state government. To establish an equitable division of the costs, the amount to be paid by each division shall be determined in such proportion as the service rendered to each division bears to the total service rendered by the department. The administrative expenses and costs of the department are hereby established to be for each and every fiscal year a sum of not less than one per cent of the aggregate annual pay roll of the state service for the preceding fiscal year as determined and reported by the commissioner of finance. To provide for administrative costs for the first fiscal year, there is appropriated the sum of $20,000.

Section 41. County Civil Service.

1. Any county may by resolution create a civil service commission of three members to be appointed by the fiscal court. The first three members shall be appointed for terms of one, two and three years respectively; thereafter all members shall be appointed for three-year terms, or to fill vacancies in unexpired terms. The commissioners shall be reimbursed for actual necessary expenses and may be paid per diem salaries. They shall be persons interested in the merit principle in government, and shall not hold or be candidates for political office or be members of political campaign committees. The commission shall employ necessary clerical and technical assistants.

2. All persons appointed or employed by the fiscal court in the conduct of county affairs including those holding administrative or directory positions as heads of departments here-

tofore or hereafter established, but excluding persons appointed by the county court, shall be subject to the jurisdiction of the civil service commission hereby authorized and to the provisions herein contained.

3. For all positions subject to its jurisdiction it shall be the duty of the civil service commission: To prepare and administer a classification plan; to prepare, recommend to and after adoption by the fiscal court to administer a compensation plan; to prepare and conduct competitive examinations to test the qualifications of applicants for promotional and original employments; to establish and maintain re-employment, promotional and original entrance employment lists, and to certify therefrom upon request one name from re-employment and two names from promotional and employment lists for each vacancy in the order named; to provide a six-months probationary or trial service period upon the satisfactory completion of which appointments shall become permanent; to authorize emergency employments of non-eligible persons for periods of not more than ten days; to approve at its discretion the temporary employment of persons who are eligible but without regard to their order of standing on lists for not more than ninety days in any year; to permit by unanimous vote upon request therefor after unanimous vote of the fiscal court the provisional employment of non-eligible but competent persons for periods of not more than ninety days in any year; upon their records of service without required examinations to accord permanent civil service status to persons in the county service in positions subject to the provisions hereof upon adoption by a county of this section of the statutes; to provide for transfers, promotions, lay-offs when necessary in the inverse order of service, for suspensions, demotions and discharges, for sick leave and leaves of absence as vacation with pay, for leave for other purposes without pay; to hear appeals of permanent employees, to make determinations including the right to restore to pay or position and to enforce its findings by mandamus action whenever necessary; to perform all other acts necessary to give force and effect to this section of the statutes.

Section 42. Separability.

If any provision of this act or of any rule, regulation or order thereunder or the application of such provision to any

person or circumstances shall be held invalid, the remainder of this act and the application of such provision of this act or of such rule, regulation or order to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

By Messrs. Searcy and Reasor.

H. B. No. 39. AN ACT relating to the collection and publication of dairy statistics.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The term "dairy products" includes milk and cream in all fluid forms and products made therefrom, including ice cream made from prepared mix.

Sec. 2. The Department of Agriculture, Labor and Statistics shall collect and publish annually, or more frequently at the discretion of the Department, data and information relating to the production and marketing of dairy products. For such purpose, the Department shall mail or cause to be mailed to each owner or operator of a dairy plant a blank or blanks on which to submit the required data and information. Each owner or operator of a dairy plant receiving such blank or blanks shall, during the thirty days next following the receipt thereof, return the same to said Department properly filled out with all the information and data required therein.

Sec. 3. All data and information supplied by persons or plants under this Act shall be published by the Department but in such form as not to disclose the individual operation of such person or plants. Copies of this published report shall be made available to each individual or plant supplying the data required under this Act.

Sec. 4. Any owner or operator of a dairy plant who shall fail to comply with the provisions of this Act or any part thereof shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $100.

By Messrs. Moorman and Reasor.

H. B. No. 40. AN ACT relating to the duties of the State Board of Agriculture.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The State Board of Agriculture, in order to continue the meritorious service performed by the Agricultural Production and Marketing Commission, whose authority has now terminated, is authorized to make, or to order made, a complete and thorough study and survey of the production, marketing, transportation, processing and use of each agricultural commodity produced in Kentucky, on the basis of each individual county and upon the basis of the state as a whole. In so doing, the board shall have authority to obtain information and to receive cooperation and assistance from any public agency, state or federal. Every state agency, at the request of the board shall make available to the board such information, statistics and reports as are at the disposal of such agency, and shall cooperate with the board by furnishing personnel and facilities to assist in performing the functions set out in this section.

H. B. No. 41. AN ACT relating to weights and measures, and weighing and measuring devices.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context otherwise requires:

(1) "Department" means the Department of Agriculture, Labor and Statistics.

(2) "Division" means the Division of Weights and Measures.

(3) "Weights, measures, and weighing or measuring devices" includes all weights, scales, beams, measures of every kind,

instruments and mechanical devices for weighing or measuring, and any appliances and accessories connected therewith.

Sec. 2. The power and duty to administer and enforce this Act is vested in the Department of Agriculture, Labor and Statistics, and shall be exercised under the supervision of the Commissioner of Agriculture, Labor and Statistics, through the Division of Weights and Measures, which is hereby created within the department. The division shall be headed by a director appointed by the Commissioner of Agriculture, Labor and Statistics, and shall have such personnel as may be determined and appointed by the Commissioner. The director of the division shall receive a salary of not more than $5,000 annually.

Sec. 3. The weights and measures received from the United States under joint resolutions of Congress, approved June 14, 1836 and July 27, 1866, and such new weights and measures as shall be received from the United States as standard weights and measures in addition thereto or in renewal thereof, shall be the state standards of weights and measures. Such additional weights and measures as may from time to time be procured by the Division and certified by the National Bureau of Standards, shall also constitute a part of the state standards of weights and measures.

Sec. 4. In addition to the state standards of weights and measures, there shall be procured by the division at least one complete set of copies of the state standards, to be kept at all times in the offices of the department, and to be known as office standards. The division shall further procure such other weights and measures as may be found necessary to carry out the provisions of this Act, to be known as working standards. The office standards and the working standards shall be verified by the director of the division upon their initial receipt and at least once in each year thereafter, the office standards being verified by direct comparison with the state standards, and the working standards being verified by direct comparison with the office standards. When found accurate upon these tests, the office standards and working standards shall be sealed and have stamped upon them the letters "KY", and in the case of the working standards, the last two figures of the year, with seals which the division shall have and keep for that purpose. The

office and working standards shall be used in making all comparisons of weights, measures, and weighing or measuring devices submitted to the department for test, and the state standards shall be used only in verifying the office standards and for scientific purposes.

Sec. 5. The department shall take charge of the state standards of weights and measures, including those now in the custody of the Secretary of State, and shall cause them to be kept in a safe and suitable place in the offices of the department, from which they shall not be removed except for repair or for certification, and the department shall take all necessary precautions for their safekeeping. The department shall maintain the state standards in good order and shall submit them at least once each ten years to the National Bureau of Standards for certification. The department shall keep a complete record of the standards and other weighing and measuring apparatus belonging to the state.

Sec. 6. The department shall have power to promulgate regulations for the administration of this Act, including specifically the power to prescribe specifications, tolerances and variances for all weights, measures, and weighing or measuring devices in commercial use in this state.

Sec. 7. Any city of the first, second or third class shall have power, by ordinance, to provide for a city sealer of weights and measures, with necessary assistants. When any such city establishes the position of city sealer, it shall procure from the department, at the expense of the city, a set of working standards of weights and measures certified by the department as a correct copy of the office standards of the department, and sealed by the department in the same manner as the working standards of the department. The city sealer shall have the same powers within the city as are conferred upon the department by Sections of this Act, such powers to be exercised under the general control or supervision of the department. The city working standards shall be submitted to the department for verification at least once each 5 years. The department shall have power to inspect the standards and other weighing and measuring apparatus used by city sealers and to inspect the work of the city sealers. The department may prescribe regulations for the

guidance of the city sealers, which regulations shall govern the procedure to be followed by city sealers in the discharge of their duties.

Sec. 8. The department shall have the power to inspect, test, try, and ascertain if they are correct, all weights, measures, and weighing or measuring devices kept, offered, or exposed for sale in this state, or commercially used or employed in proving the size, quantity, extent, area, or measurement of quantities, things, produce, or articles for distribution or consumption, purchased or offered or submitted for sale, hire or award, or in computing any charge for services rendered on the basis of weight or measure, or in determining weight or measure when a charge is made for such determination, except that this power shall not extend to meters of public utilities companies which are tested by authority of the Public Service Commission. For the purposes mentioned in this section, and in the enforcement and administration of this Act, the director and inspectors in the employ of the division may, without warrant, enter and go into or upon any stand, place, building or premises, or stop any vendor, peddler, itinerant buyer, or person in charge of any delivery vehicle, and require him, if necessary, to proceed to some suitable place where the inspection or test contemplated by this section may be made.

Sec. 9. Whenever the department compares weights, measures, or weighing or measuring devices and finds that they correspond with the working standards, within the allowable tolerances or variances, the department shall seal or mark the same with appropriate devices. The department shall condemn and seize and may destroy incorrect weights, measures, and weighing or measuring devices which, in the judgment of the department, are not susceptible of satisfactory repair. The department shall mark or tag as "condemned for repairs" any weights, measures, or weighing or measuring devices which it finds to be incorrect but which, in the judgment of the department, may be repaired; in such event, the owner or user shall have the same repaired and corrected within such reasonable period as may be specified by the department, and shall not use or dispose of the same in any way until they have been approved by the department as having been satisfactorily repaired.

Any weights, measures, or weighing or measuring devices which have been condemned for repairs and have not been repaired within the time and in the manner required by the department, shall be confiscated by the department.

Sec. 10. The director of the division and inspectors in the employ of the division shall have the powers of peace officers in the enforcement of this Act, may arrest, without warrant, any person violating this Act, and may seize for use as evidence, without wararnt, any false or incorrect weight, measure, or weighing or measuring device found to be used, retained, or offered or exposed for sale, or sold in violation of this Act.

Sec. 11. It shall be unlawful to sell or offer to sell any coal, coke, or charcoal in any other manner than by weight. No person shall deliver any coal, coke, or charcoal without each individual delivery being accompanied by duplicate delivery tickets on which shall be shown, in ink or other indelible substance, distinctly expressed in pounds, the net weight or weights of coal, coke, or charcoal comprising the delivery, and the gross and tare weights from which each net weight shown is computed, with the name of the purchaser thereof and the name of the dealer from whom purchased. One of these tickets shall be delivered to the purchaser or his agent or representative at the time of delivery of the coal, coke, or charcoal, and the other ticket shall be retained by the seller. Upon demand of the director of the division or an inspector in the employ of the division, or of a city sealer, either during or after delivery of the coal, coke, or charcoal, the buyer or seller shall surrender the delivery ticket for inspection. When the buyer carries away the purchase from the premises of the seller, a delivery ticket showing the exact number of pounds delivered to him shall be given to him by the seller at the time the sale is made.

Sec. 12. (1) No person shall use, sell, offer or expose for sale or hire, or have in possession for the purpose of using, selling or hiring, a false weight or measure, or weighing or measuring device, or any device or instrument to be used to or calculated to falsify any weight or measure.

(2) No person shall dispose of any condemned weight or measure or weighing or measuring device in a manner contrary to law.

(3) No person shall remove from any weight, measure, or weighing or measuring device, any tag or seal or mark placed thereon by the department or by a city sealer.

(4) No person shall sell, or offer or expose for sale less than the quantity he represents of any commodity, thing or service.

(5) No person shall take more than the quantity represented of any commodity, thing or service when as buyer he furnishes the weight, measure, or weighing or measuring device by means of which the amount of the commodity, thing, or service is determined.

(6) No person shall use in retail trade, except in preparation of packages put up in advance of sale, a weighing or measuring device which is not so positioned that its indications may accurately be read and the weighing and measuring operation observed from some position which may reasonably be assumed by a customer.

Sec. 13. Any person who violates any provision of this Act shall be fined not less than $25 nor more than $100, or imprisoned in the county jail for not less than 10 days nor more than 60 days, or both.

Sec. 14. Nothing in this Act shall prohibit cities from enforcing ordinances regulating weights and measures not in conflict with this Act or with the regulations of the department thereunder.

Sec. 15. Section 246.030 of the Kentucky Revised Statutes is amended to read as follows:

The department shall consist of:

(1) The Commissioner;

(2) The Board of Agriculture;

(3) The State Fair Board;

(4) The Division of Markets;

(5) The Division of Weights and Measures; and

(6) The Board of Veterinary Examiners.

Sec. 16. KRS 261.010 to 261.990, KRS 363.010, 363.020, 363.110 to 363.160, subsections (7), (8) and (9) of KRS 363.990 and subsection (2) of KRS 248.310, are repealed.

Sec. 17. This Act shall take effect on July 1, 1950.

By Messrs. Hale and Hayes.

H. B. No. 42. AN ACT relating to wages and hours, payment of employes by a corporation.

Said bill as as follows, viz:

Be it enacted by the General Asesmbly of the Commonwealth of Kentucky:

Section 337.020 of the Kentucky Revised Statutes is amended to read as follows:

Every corporation for pecuniary profit doing business in this state shall, as often as weekly, pay to each of its employees all wages or salary earned by him to a day not more than seven days prior to the date of that payment. An employe who is absent at the time fixed for payment, or who, for any other reason, is not paid at that time, shall be paid thereafter at any time upon three days demand. Any employe who leaves or is discharged from his employment shall be paid in full following his dismissal or voluntarily leaving at any time upon three days demand. No corporation subject to this section shall, by any means, secure exemption from it. Every such employe shall have a right of action against any such corporation for the full account of his wages due on each regular pay day.

Ordered that said bills be printed and referred.

Mrs. Burnett of the Committee on Appropriations, to which the same had previously been referred, reported a bill and resolution as follows, viz:

H. B. No. 14. AN ACT relating to appropriations for the operation, maintenance, support and functioning of the Government of the Commonwealth of Kentucky and its various offices, departments, boards, commissions, institutions, subdivisions, agencies and other state supported activities, and declaring an emergency to exist.

H. Res. No. 3. A JOINT RESOLUTION providing for an inquiry into and investigation of the affairs, activities and management of the Kentucky Department of Aeronautics; providing for a committee to make such inquiry and investigation and prescribing its powers and duties; providing for the appropriation and disposition of funds for such committee, and declaring an emergency.

With the expression of opinion that same should pass.

Mr. Waterfield moved that the rules be suspended for the purpose of making a motion.

Said motion was agreed to by a majority of the members elected.

Mr. Waterfield moved that prior to a bill of the following title being placed upon its passage the House resolved itself into a Committee of the Whole House for the purpose of studying, reviewing and considering said bill, viz:

H. B. No. 14. AN ACT relating to appropriations for the operation, maintenance, support and functioning of the Government of the Commonwealth of Kentucky and its various offices, departments, boards, commissions, institutions, subdivisions, agencies and other state supported activities, and declaring an emergency to exist.

The yeas and nays being required on said motion by Mr. Waterfield and Mr. Preston were as follows, viz:

Those voting in the affirmative were—

John D. Beatty	Durham W. Howard	Jack McPherron
Thomas L. Britton	Maurice G. Howard	Alton Mitchell
Stanley Carter	James W. Lambert	Emmett G. Moore
B. H. Crider	Jesse H. Lawrence	Dr. C. E. Palmore
Roscoe C. Estepp, Sr.	Homer E. Losey	Leonard W. Preston
Henry C. Hale	A. L. (Chick) Love	Carl J. Ruh
Chester A. Hammons	John Martin	Amos Runyan
Harold G. Helm	William T. Marshall	LeRoy Saylor

James S. Shaw	Lyle H. Webb	Charles W. Wirsch
Roy Steers	Morris Weintraub	Harry L. Waterfield

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Those voting in the negative were—

Berman Adams	Mitchell S. Fannin	Fred H. Morgan
Bill Adams	James P. Hanratty	C. S. Nabb
Edgar Arnett	George F. Harris	James H. Polsgrove
Walter J. Bailey	John A. Head	Hobart Rayburn
Clarence J. Barnum	William K. Henry	W. R. Reasor
C. E. Baumgardner	E. R. Hilton	Dr. Roy Sanders
Leonard T. Bean	Ray Holbrook	Roy Searcy
Fred Beshear	W. M. Horn, Jr.	Paul J. Shannon
R. O. Blevins	Richard R. Houpt	Gus Sheehan, Jr.
L. E. Bradley	Robert N. Hubbard	Jesse H. Shelton
Edward O. Bridgers	Silas Jacobs	Forest Smith
Charles J. Bronston	Paul S. Jonas	Joseph T. Snapp
J. D. Buckman, Jr.	Barkley Jones	John M. Spaulding
Mrs. Mary Burnett	William Jones	Raymond D. Stigall
Charles W. Burnley	Mrs. J. T. Linton	Mrs. Thelma Stovall
Alex Calvert	Harry King Lowman	W. R. Stringer
Paul Combs	True Mackey	Egbert V. Taylor
Josh R. Cosby	Damon Majors	Rev. T. H. Tinsley
Owen Deering	Archie R. Moore	G. F. Williamson
G. I. Drury	Walter R. Moorman	Fred M. Warns
Thomas R. Duncan		

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Thereupon said motion was disagreed to.

Mr. Hanratty moved that the vote by which said motion was rejected be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Weintraub moved that the rules be suspended for the purpose of offering a resolution.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Weintraub offered the following resolution, viz:

H. Res. B. A RESOLUTION proposing amendments to the Rules of the House of Representatives for the 1950 Regular Session.

Be it resolved by the House of Representatives of the Commonwealth of Kentucky:

That the Rules of the House of Representatives for the 1950 Regular Session be amended by striking out all of Rules 17, 18, 19, 20, 21, 22, 23, 24, 34(g) and 34(l), and substituting in lieu thereof the following:

RULE 17. COMMITTEE ON COMMITTEES AND CONTROL, STANDING COMMITTEES, APPOINTMENT AND TIMES AND PLACES OF MEETING.

(a) There shall be a "Committee on Committees and Control" which shall be a standing Committee of the House of Representatives, and shall meet at such time or times as is necessary for the prompt dispatch of such business as may come before it. It shall meet upon call of the Speaker of the House or upon the written request of Seven (7) Members thereof filed with the Speaker and the Clerk of the House.

(b) Said "Committee on Committees and Control" shall be composed of Twenty-seven (27) Members of the House, plus the Speaker, the Majority Floor Leader and the Minority Floor Leader. The Speaker shall have no vote except in the case of a tie. He shall be chairman of the Committee on Committees and Control. Said members shall be selected Two (2) each from each Congressional District at separate meetings to be held by the representatives from each Congressional District immediately after the adoption of these rules, and the results shall be certified to the Speaker and the Clerk of the House. Based upon the membership of the 1950 General Assembly of Seventy-Six (76) Democrats and Twenty-Four (24) Republicans, (being a ratio of approximately Three (3) Democrats for each Republican), said 27 members shall be elected in the same ratio, as nearly as possible, and so that 20 members of said Committee shall be Democrats and 7 members Republicans, excluding the ex officio members. In order to carry this rule into effect there shall be elected from each Congressional District the following:

	DEMOCRATS	REPUBLICANS
First	3	0
Second	2	1
Third	2	1
Fourth	2	1
Fifth	3	0
Sixth	3	0
Seventh	2	1
Eighth	3	0
Ninth		3

(c) Said "Committee on Committees and Control" shall select and appoint the duly elected members of the House of Representatives to the various committees. It shall, Five (5) legislative days prior to the end of a Regular or Special Session take charge of and control all bills to be considered by the House during said last Five (5) legislative days, and it will control what bills shall be considered during that time, and the order in which they shall be taken up and considered. All other standing committees shall be deemed discharged when the Committee on Committees and Control assumes such control and all bills in all respective committees shall become the property of the Committee on Committees and Control.

(d) In addition to the "Committee on Committees and Control," the Committees hereinafter named shall be and constitute the standing Committees of the House of Representatives. Each Committee shall be composed of not less than Eighteen (18) Members, and not more than Twenty-One (21) Members. The Speaker, the Majority Floor Leader and the Minority Floor Leader shall be members ex-officio of each and every Committee; provided, however, the Speaker shall cast a vote only in case of a tie.

(e) In the appointment or selection of the members to each Committee, the "Committee on Committees and Control" shall take into consideration the qualifications, background and experience of each member of the House and shall appoint each member to such Committee and Committees as his or her qualifications, background and experience best fits. Every effort shall be made to appoint members to committees which meet on different regular dates and times. Each committee shall

consist of members of the different political parties represented, in the House, and, as nearly as possible, in the same proportion as elected to the House. Selections shall be made, as far as possible, on the basis of two members from each of the nine Congressional Districts. In those cases, where because of the inability to properly carry into effect the proper ratio, or where because a particular area requires additional representation on any committee because of the special nature of the subject matter to come before the Committee as it applies particularly to that area, the "Committee on Committees and Control" is privileged to select and appoint from at large and/or from the area most affected, up to three additional members. This will tend to preserve the proper ratio and give adequate representation to the areas most affected by the subject matter to be handled by the Committee.

(f) Each member of the House shall be appointed to no less than three nor more than four Committees.

(g) Said Committees and their meeting time and places are as follows, and no Committee shall sit or meet during the Session of the House of Representatives or Committee of the Whole, without the special permission first obtained from the House of Representatives:

Committees	Meeting Time Each Week	Room No.
1. Committee on Agricultural Affairs	Tuesday, 9:30 A.M.	1
2. Committee on Alcoholic Liquor Control	Tuesday, 9:30 A.M.	2
3. Committee on Banking and Insurance	Tuesday, 9:30 A.M.	3
4. Committee on City Affairs	Tuesday, 11:30 A.M.	1
5. Committee on County Affairs	Tuesday, 11:30 A.M.	2
6. Committee on Courts, Laws Practice and Procedure	Wednesday, 9:30 A.M.	1
7. Committee on Education	Wednesday, 9:30 A.M.	2
8. Committee on Health, Welfare & Social Security	Wednesday, 9:30 A.M.	3

9.	Committee on Institutions, Properties & Claims	Wednesday, 11:30 A.M.	1
10.	Committee on Labor, Commerce & Business Regulation	Wednesday, 11:30 A.M.	2
11.	Committee on Legislative Procedure & Administration	Thursday, 9:30 A.M.	1
12.	Committee on Mines and Mining	Thursday, 9:30 A.M.	2
13.	Committee on Natural Resources, Parks and Development	Thursday, 11:30 A.M.	1
14.	Committee on Revenue, Taxation & Appropriations	Friday, 9:30 A.M.	1
15.	Committee on Roads & Highways	Thursday, 11:30 A.M.	2
16.	Committee on Utilities & Transportation (Air, Rail & Motor)	Friday, 9:30 A.M.	2
17.	Committee on Veterans & Military Affairs	Friday, 11:30 A.M.	1
18.	Committee on Voting and Elections	Friday, 11:30 A.M.	2

(h) Committee meetings must be held at the time and hour designated and in the Committee meeting room assigned to it, and shall be held at no other place, except upon the approval of the House first obtained.

(i) The Clerk shall cause the lists of all Committees, their full and complete membership, the days and respective hours of meeting, and the meeting room for each committee, to be printed daily in the Digest.

RULE. 18. MANNER OF REFERENCE OF BILLS TO COMMITTEES:

(a) The Speaker must, no later than the end of the legislative day following the introduction of a bill, refer same to a committee, which must be the committee charged with the consideration of the subject matter of said bill.

RULE 19. DUTIES AND POWERS OF COMMITTEES:

(a) Each Committee shall meet at the regular meeting time and place following adoption of these rules and at the time of the first meeting of each committee, a Chairman, Vice-Chairman and Secretary shall be elected by a majority of the committee members present. The Vice-Chairman shall act in the absence of the Chairman. In the event of absence of both the Chairman and Vice-Chairman at any meeting, the members present shall select a temporary Chairman who shall serve for that meeting. The Secretary shall keep minutes and records of the meetings and shall cause same to be reduced to writing, and same shall be subject to inspection by any member of the House. The "Committee on Committees and Control" shall assign to each committee a designated person, who shall be competent and qualified to take shorthand, transcribe same on the typewriter, and perform such other stenographic and clerical duties as may be required by the Chairman, the Secretary or the Committee itself. The person so appointed may serve for more than one Committee. He or she shall keep a regular agenda of all bills and business to come before each Committee he or she is designated to serve. He or she shall receive a salary to be fixed by the House, and to be paid by the Clerk of the House out of the funds in his hands.

(b) It is the intention of the House that as few as possible special meetings of the various committees be held, but where it is deemed necessary for the interest and welfare of pending legislation that a special committee meeting be called, notice thereof and of the bill or bills to be considered must be given at least two full legislative days prior to the special meeting and said notice shall be announced by the Chairman at motion hour and a written memorandum thereof shall be delivered by the Chairman to the Clerk of the House, who shall cause same to be printed and carried in the Legislative Digest, up to and including the day of the special meeting. A special meeting may be called by either the Chairman, a majority of the members of each committee, or at the joint request of the Speaker, Majority and Minority Leaders.

(c) Commencing with the second week of the Session of the General Assembly, each committee having bills referred to it

must hold regular weekly meetings at the time set opposite each committee, and in the meeting room assigned to it.

(d) When a bill or resolution is referred to a Committee, that Committee must proceed to consider it at its next regular meeting, or at a special meeting, if one be called. The Chairman shall submit the bill or resolution to the consideration of his Committee, and upon his failure to do so, same may be called up by any member of the Committee or by its sponsor. A majority of the Committee shall be present before a bill may be considered (in determining this majority, the Speaker, Majority Leader and Minority Floor Leader shall not be counted). A committee in reporting a bill to the House shall make its report in writing, and such a report need only be signed by the Chairman and attested to by the Clerk of the Committee which shall only be evidence of the action taken by the Committee, and which does not necessarily reflect or indicate the vote of said Chairman or Clerk in said Committee Meeting. After a majority report has been made, the minority may make its report, which must be signed by the members of the Committee making such minority report. No bill shall be considered or acted upon by a Committee, except by action in a Committee Room.

(e) Bills may only be reported 'Favorably' or 'Unfavorably' by any Committee. No other form of report is allowed.

(f) Each Committee shall, pursuant to Section 39 of the Constitution of the Commonwealth of Kentucky, have the power and authority to compel the attendance of persons as witnesses before it, or to compel the production of any and all papers proper to be used in evidence at a hearing, or to compel testimony concerning any matter which may be, and is, a proper subject of inquiry by the General Assembly or such Committee. A subpoena shall be signed by the Chairman, and attested by the Clerk, and shall be delivered to any Sheriff, Constable, Peace Officer, or to the Sergeant-at-Arms of the House for service. The Clerk shall pay the costs of serving same out of the funds in his hands. Upon the failure of any person to comply with an order of any Committee, such fact shall be reported to the House, and such person shall be proceeded against and punished for contempt.

RULE 20. PROCEDURE ON BILLS REPORTED OR HELD:

(a) Upon the favorable report of a bill or resolution by a Committee, the Clerk shall report the same in full, which shall be considered the first reading of the bill or joint resolution, and shall be so entered upon the journal.

(b) Upon the unfavorable report of a bill or resolution, said bill or resolution shall not be entitled to a reading unless it is ordered by a majority vote of the members elected.

(c) A bill or resolution remaining in the hands of a Committee for longer than two regular meeting periods of that Committee after same has been referred to it, unless the time be extended by a Two-Thirds (2/3) vote of the House membership present, may be called up by any member and read into the calendar by a majority vote of the members present; except that same shall not apply if said period extends into the last Five (5) Legislative days of the Session.

(d) When a bill or resolution unfavorably reported or not reported within proper time is called up for the purpose of being read into the calendar, no debate shall be allowed, except that the sponsor, or any one indicated by him, shall have Fifteen (15) Minutes in which to explain same, and the opposition shall have a like time to oppose it. Each side may divide their time as they deem fit.

(e) Bills or resolutions unfavorably reported or not reported within proper time by a Committee may only be called up for the purpose of being read into the calendar at motion hour only. If a bill or resolution be ordered read, it shall then be read the first time, and placed in the calendar.

RULE 21. ORDER OF VOTING ON BILLS:

(a) Bills and resolutions, not re-committed, shall be voted upon in the precise order in which they are given their first reading and placed into the calendar, unless the sponsor of the bill or resolution waives the position of same, in which event it will be placed at the end of the list of bills or resolutions then up for passage; or, if requested, made a special order of business by a majority vote of the members present.

(b) No bill, or committee substitute, shall be voted upon unless and until same has been printed and placed in the hands

of the members of the House for at least two full legislative days prior to the calling of same for passage, except during the last Ten (10) Days of a session when this time shall be reduced to one day.

(c) Bills shall be printed in the order in which introduced. The Clerk of the House is hereby charged with the enforcement of this rule.

RULE 22. CALENDAR:

When a bill or resolution has had its first reading, it shall be placed by the Clerk on a calendar to be kept by him, and said calendar shall be separate from the bills or resolutions in the Orders of the Day.

RULE 23. ORDERS OF THE DAY:

(a) When a bill or resolution has been read a second time, it shall be placed in the Orders of the Day or re-committed, and when next reached in the House, it shall be ready for amendment, re-commitment, or debate, or to be read a third time, and placed upon its passage. A bill or resolution may be re-committed at any time before final passage.

(b) No House bill shall be placed upon its final passage during the last two days of the Session, except bills in possession of Conference Committees, Senate Bills, or House Bills which have been amended by the Senate.

RULE 24. REPORTS ON ENROLLED BILLS:

The Committee on Legislative Procedure and Administration shall designate one of its members to report on enrolled bills, and such member and the Clerk of the Senate may report at any time, except during debate and Roll Call. The designation of such member shall be reported to the House and spread on the Journal. An alternate member shall be designated at the same time, and he shall act only in case of absence of the regularly designated member.

Morris Weintraub, Representative
(63rd District—City of Newport)

Ordered that said resolution be referred.

The Speaker announced the personnel of the Standing Committees of the House as follows, viz:

Agriculture No. 1

Walter R. Moorman, Chairman

Leonard T. Bean	True Mackey
Alex Calvert	Dr. C. E. Palmore
William K. Henry	W. R. Reasor
Woodrow W. Hollan	Roscoe C. Estepp, Sr.
William L. Jones	Egbert V. Taylor

Agriculture No. 2

Harry Lee Waterfield, Chairman

Bernam Adams	A. L. Love
Stanley Carter	Damon Majors
Josh R. Cosby	Roy Searcy
Thomas R. Duncan	John W. Beatty
Henry C. Hale	R. O. Blevins

Air Transportation

Edward O. Bridgers, Chairman

Leonard T. Bean	Fred H. Morgan
Paul Combs	Carl J. Ruh
Josh R. Cosby	Dr. Roy Sanders
John A. Head	Maurice G. Howard
Harry King Lowman	James W. Lambert
	John Martin

Alcoholic Control No. 1

Fred H. Morgan, Chairman

J. D. Buckman, Jr.	Silas Jacobs
Paul Combs	Paul S. Jonas
G. I. Drury	Raymond D. Stigall
Mitchell S. Fannin	Durham W. Howard
Chester J. Holsclaw	James S. Shaw

Alcoholic Control No. 2

W. M. Horn, Jr., Chairman

Thomas R. Duncan	Leonard W. Preston
Henry C. Hale	Carl J. Ruh
William L. Jones	Jesse H. Shelton
Damon Majors	Fred M. Warns
G. Lee McClain	Lyle H. Webb

Alcoholic Control No. 3

L. E. Bradley, Chairman

Clarence J. Barnum	Amos Runyan
Woodrow W. Hollan	Paul Shannon
Mrs. J. T. Linton	Forest Smith
John Martin	Joseph T. Snapp
Jack McPherron	Maurice G. Howard

Rev. T. Herbert Tinsley

Appropriations

Mrs. Mary E. Burnett, Chairman

Chas. E. Baumgardner	Harry King Lowman
Owen Deering	Walter Moorman
Mitchell S. Fannin	Sidney Nabb
Paul Jonas	Bill Adams
William L. Jones	Hobart Rayburn

Banks and Banking

Dr. Roy Sanders, Chairman

Fred Beshear	James H. Polsgrove
Alex Calvert	Harry Lee Waterfield
Owen Deering	George F. Williamson
Barkley Jones	LeRoy Saylor
Harry King Lowman	James S. Shaw

Charitable and Penal Institutions

A. L. Love, Chairman

Mrs. Mary E. Burnett	W. R. Stringer
W. M. Horn, Jr.	George F. Williamson
James H. Polsgrove	John D. Beatty
Paul J. Shannon	Thomas L. Britton
Raymond D. Stigall	James W. Lawrence

Cities of First Class

Clarence J. Barnum, Chairman

Sidney Baer	James H. Polsgrove
Chas. E. Baumgardner	Mrs. Thelma Stovall
Edward O. Bridgers	Jesse H. Lawrence
Chester J. Holsclaw	James S. Shaw
Richard R. Houpt	Fred M. Warns

Cities of Second Class

John M. Spaulding, Chairman

Mrs. Mary E. Burnett
Charles W. Burnley
John A. Head
Paul S. Jonas
Harry King Lowman
Fred H. Morgan
Carl J. Ruh
Paul J. Shannon
Gus Sheehan, Jr.
Morris Weintraub
Charles W. Wirsch

Cities of Third Class

Bernam Adams, Chairman

Alex Calvert
Thomas R. Duncan
W. M. Horn, Jr.
James P. Hanratty
Dr. C. E. Palmore
Chester A. Hammons
Durham W. Howard
Maurice G. Howard

Cities of Fourth Class

Roy Steers, Chairman

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Josh Cosby
G. I. Drury
Barkley Jones
Mrs. J. T. Linton
Roy Searcy
W. R. Stringer
R. O. Blevins
Roscoe C. Estepp, Sr.
Homer E. Losey

Cities of Fifth Class

True Mackey, Chairman

Fred Beshear
Silas Jacobs
Jack McPherron
C. S. Nabb
Leonard W. Preston
M. G. Thompson
Harry Lee Waterfield
Bill Adams
B. H. Crider
LeRoy Saylor

Cities of Sixth Class

Rev. T. H. Tinsley, Chairman

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L. E. Bradley
Mitchell S. Fannin
George F. Harris
William K. Henry
Damon Majors
Ralph N. Walter
James W. Lambert
Alton Mitchell
Emmett G. Moore

Claims

George F. Williamson, Chairman

Bernam Adams	Forest Smith
L. E. Bradley	Roy Steers
Henry C. Hale	Ralph N. Walter
James H. Polsgrove	Chester A. Hammons
Leonard W. Preston	William T. Marshall

Codes and Practice

Sidney Baer, Chairman

J. D. Buckman, Jr.	W. R. Reasor
Stanley Carter	Forest Smith
Paul E. Hayes	George F. Williamson
Robert N. Hubbard	James W. Lambert
James H. Polsgrove	James S. Shaw

Compensation For Industrial Injuries

Harry King Lowman, Chairman

Edgar Arnett	Gus Sheehan, Jr.
Clarence J. Barnum	John M. Spaulding
Paul E. Hayes	J. Claude Stacy
Fred H. Morgan	James W. Lambert
Leonard W. Preston	James S. Shaw

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Fred Beshear, Chairman

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Barkley Jones	Raymond D. Stigall
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Walter R. Moorman	B. H. Crider
W. R. Reasor	Hobart Rayburn

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G. I. Drury	Amos Runyan
John A. Head	Morris Weintraub
E. R. Hilton	Harold G. Helm
Woodrow W. Hollan	Homer Losey

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James H. Polsgrove, Chairman

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Paul E. Hayes	Joseph T. Snapp
Ray Holbrook	Harry Lee Waterfield
Silas Jacobs	James W. Lambert
Gus Sheehan, Jr.	James S. Shaw

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Paul Combs	Gus Sheehan, Jr.
Owen Deering	Roy Steers
Silas Jacobs	James W. Lambert
W. R. Reasor	James S. Shaw

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Amos Runyan, Chairman

Sidney Baer	Barkley Jones
Fred Beshear	Mrs. J. T. Linton
Mrs. Mary E. Burnett	Carl J. Ruh
Mitchell S. Fannin	Homer Losey
Woodrow W. Hollan	Emmett G. Moore

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Josh R. Cosby	Mrs. Thelma Stovall
George F. Harris	W. R. Stringer
Paul E. Hayes	Chester A. Hammons
E. R. Hilton	Thomas L. Britton

Enrollment

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Edgar Arnett	Archie R. Moore
L. E. Bradley	B. H. Crider
Henry C. Hale	Harold Helm

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E. R. Hilton	Hobart Rayburn
Ray Holbrook	Lyle H. Webb
W. M. Horn, Jr.	Charles W. Wirsch

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Charles W. Burnley	Paul J. Shannon
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Paul E. Hayes
Robert N. Hubbard
Silas Jacobs
Harry King Lowman
W. R. Reasor
Rev. T. H. Tinsley
James S. Shaw
R. O. Blevins

Kentucky Statutes No. 2

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Owen Deering
Mitchell S. Fannin
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Jesse H. Shelton
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Labor

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Durham Howard
Egbert V. Taylor

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Jesse H. Shelton
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John Martin

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Leonard Bean
Stanley Carter
Josh Cosby
Silas Jacobs
A. L. Love
R. O. Blevins
Homer Losey

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Leonard W. Preston, Vice Chairman

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Paul Combs
Josh Cosby
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Paul E. Hayes
William K. Henry
E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
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Richard R. Houpt
Robert N. Hubbard
Barkley Jones
Maurice G. Howard
Jesse H. Lawrence
Alton Mitchell
LeRoy Saylor
Lyle H. Webb
Harry King Lowman
True Mackey
Damon Majors
William T. Marshall
G. Lee McClain
Jack McPherron
C. S. Nabb
Dr. C. E. Palmore
Dr. Roy Sanders
Roy Searcy
Paul J. Shannon
Gus Sheehan, Jr.
Jesse H. Shelton
Forest Smith
John M. Spaulding
Roy Steers
Raymond D. Stigall
Rev. T. H. Tinsley
Ralph N. Walter
George F. Williamson
James W. Lambert
John Martin
Hobart Rayburn
Egbert V. Taylor
Charles W. Wirsch

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Paul E. Hayes
George Harris
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Paul S. Jonas
William Marshall
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W. R. Stringer
Durham W. Howard
R. O. Blevins
B. H. Crider

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Edward O. Bridgers	J. Claude Stacy
Owen Deering	Raymond D. Stigall
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C. S. Nabb	Fred M. Warns

Motor Transportation No. 2

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Thomas R. Duncan	Gus Sheehan, Jr.
Henry Hale	Forest Smith
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Archie R. Moore	Harold G. Helm
James H. Polsgrove	LeRoy Saylor

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Owen Deering, Chairman

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Richard R. Houpt	Alton Mitchell
Amos Runyan	LeRoy Saylor

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Ray Holbrook	Thomas L. Britton
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Damon Majors	Bill Adams
Paul J. Shannon	Lyle H. Webb

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Paul J. Shannon
John M. Spaulding
John D. Beatty
Maurice G. Howard
Homer Losey

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Jack McPherron, Chairman

Fred Beshear
L. E. Bradley
Adron Doran
G. I. Drury
John A. Head
A. L. Love
Archie R. Moore
Morris Weintraub
Harold G. Helm
John Martin

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John A. Head, Chairman

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Charles W. Burnley
Mrs. J. T. Linton
Dr. C. E. Palmore
Bernam Adams
Dr. Roy Sanders
Mrs. Thelma Stovall
Rev. T. H. Tinsley
Maurice G. Howard
Homer E. Losey
Fred Warns

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Sidney Baer
Henry C. Hale
Paul S. Jonas
A. L. Love
Walter R. Moorman
Amos Runyan
Rev. T. H. Tinsley
Hobart Rayburn
Egbert V. Taylor

Public Utilities No. 2

Forest Smith, Chairman

Chas. E. Baumgardner
Stanley Carter
Barkley Jones
W. M. Horn, Jr.
Carl J. Ruh
Ralph N. Walter
Harry Lee Waterfield
Bill Adams
Alton Mitchell
Charles W. Wirsch

Publicity and Tourist Attractions

Leonard T. Bean, Chairman

Clarence J. Barnum
Chas. E. Baumgardner
Archie R. Moore
Gus Sheehan, Jr.
Maurice G. Howard
Alton Mitchell

Railroads

Walter J. Bailey, Chairman

Chas. E. Baumgardner
Charles W. Burnley
G. I. Drury
George F. Harris
E. R. Hilton
Richard R. Houpt
Paul S. Jonas
James W. Lambert
LeRoy Saylor
J. Claude Stacy

Research and Marketing

Sidney Nabb, Chairman

Sidney Baer
Charles Bronston
J. D. Buckman, Jr.
Alex Calvert
Walter Moorman
Claude Stacy
Rev. T. H. Tinsley
Harry Lee Waterfield
Egbert V. Taylor
Lyle H. Webb

Revenue and Taxation No. 1

William Jones, Chairman

Josh R. Cosby
William K. Henry
Richard R. Houpt
Robert N. Hubbard
Walter R. Moorman
G. Lee McClain
Gus Sheehan, Jr.
Roy Steers
Ralph N. Walter
B. H. Crider
Jesse H. Lawrence
Charles W. Wirsch

Revenue and Taxation No. 2

Morris Weintraub, Chairman

L. E. Bradley
John A. Head
Chester J. Holsclaw
True Mackey
Damon Majors
Archie G. Moore
Dr. C. E. Palmore
Paul Shannon
M. G. Thompson
William T. Marshall
Bill Adams

Roads and Highways

Jesse H. Shelton, Chairman

Bernam Adams	True Mackey
Fred Beshear	G. Lee McClain
L. E. Bradley	Geo. F. Williamson
Paul Combs	Fred M. Warns
Richard R. Houpt	Lyle H. Webb

Rural Highways No. 1

Archie R. Moore, Chairman

Edgar Arnett	C. S. Nabb
J. D. Buckman, Jr.	Dr. Roy Sanders
Mitchell S. Fannin	Roy Searcy
George F. Harris	Roscoe C. Estepp, Sr.
William K. Henry	Egbert V. Taylor

Rural Highways No. 2

M. G. Thompson, Chairman

Walter J. Bailey	J. Claude Stacy
Woodrow W. Hollan	Roy Steers
Barkley Jones	Ralph N. Walter
Damon Majors	Bill Adams
Amos Runyan	Harold G. Helm

Social Security

Henry C. Hale, Chairman

Mrs. Mary E. Burnett	Jesse H. Lawrence
A. L. Love	LeRoy Saylor
Jack McPherron	Charles W. Wirsch

Soil Conservation and Erosion

Ray Holbrook, Chairman

Edgar O. Bridges	True Mackey
William K. Henry	John Martin
Chester Holsclaw	Lyle Webb

State Fair

William K. Henry, Chairman

Walter J. Bailey	W. R. Reasor
Leonard T. Bean	Joseph T. Snapp
William Jones	Mrs. Thelma Stovall
G. Lee McClain	James W. Lambert
Walter R. Moorman	Emmett G. Moore
Dr. C. E. Palmore	Egbert V. Taylor

State Parks

J. Claude Stacy, Chairman

Fred Beshear
Charles W. Burnley
Ray Holbrook
Barkley Jones
G. Lee McClain
Roy Searcy
Raymond D. Stigall
R. O. Blevins
Maurice G. Howard
Alton Mitchell

State Property

Chester Holsclaw, Chairman

William K. Henry
Ray Holbrook
R. N. Hubbard
Paul S. Jonas
Damon Majors
Roscoe C. Estepp, Sr.
John Martin

State University

Stanley Carter, Chairman

Mrs. Mary E. Burnett
Paul Combs
Paul E. Hayes
Robert N. Hubbard
G. Lee McClain
Dr. Roy Sanders
Homer Losey
Alton Mitchell

Suffrage and Elections

E. R. Hilton, Chairman

Clarence J. Barnum
John A. Head
Archie R. Moore
Fred H. Morgan
Dr. Roy Sanders
Joseph T. Snapp
J. Claude Stacy
M. G. Thompson
Thomas L. Britton
William T. Marshall

Teachers' Colleges

Barkley Jones, Chairman

Walter J. Bailey
Charles W. Burnley
Josh R. Cosby
W. M. Horn, Jr.
Harry King Lowman
Dr. C. E. Palmore
Roy Steers
Jesse H. Lawrence
Alton Mitchell
Emmett G. Moore

Trade and Commerce

Josh Cosby, Chairman

Edgar Arnett
Fred Morgan
W. R. Stringer
Morris Weintraub
Fred M. Warns
Charles W. Wirsch

Tuberculosis

Dr. C. E. Palmore, Chairman

Fred Beshear
Charles J. Bronston
George F. Harris
William L. Jones
Leonard W. Preston
Paul J. Shannon
Joseph T. Snapp
Dr. Roy Sanders
Roscoe C. Estepp, Sr.
Chester A. Hammons

Ways and Means

Charles W. Burnley, Chairman

Charles J. Bronston
Paul Combs
Chester J. Holsclaw
True Mackey
G. Lee McClain
John M. Spaulding
M. G. Thompson
Ralph N. Walter
Durham W. Howard
James W. Lambert

Veterans' Legislation

Joseph T. Snapp, Chairman
Leonard W. Preston, Vice Chairman

Sidney Baer
Clarence J. Barnum
Leonard T. Bean
J. D. Buckman, Jr.
Stanley Carter
Paul Combs
Josh Cosby
Owen Deering
Thomas R. Duncan
Henry C. Hale
Paul E. Hayes
William K. Henry
E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
Richard R. Houpt
Robert N. Hubbard
Barkley Jones
Maurice G. Howard
Jesse H. Lawrence
Alton Mitchell
LeRoy Saylor
Lyle H. Webb
Harry King Lowman
True Mackey
Damon Majors
William T. Marshall
G. Lee McClain
Jack McPherron
C. S. Nabb
Dr. C. E. Palmore
Dr. Roy Sanders
Roy Searcy
Paul J. Shannon
Gus Sheehan, Jr.
Jesse H. Shelton
Forest Smith
John M. Spaulding
Roy Steers
Raymond D. Stigall
Rev. T. H. Tinsley
Ralph N. Walter

George F. Williamson	Hobart Rayburn
James W. Lambert	Egbert Taylor
John Martin	Charles W. Wirsch

Mr. Hanratty moved that the House do now adjourn to meet again at 1 o'clock, p.m., Wednesday, January 11, 1950.

Said motion was agreed to.

And then the House adjourned.

WEDNESDAY, JANUARY 11, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by Father Joseph A. O'Dwyer, Church of the Good Shepherd, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	Stanley Carter	Woodrow W. Hollan
Bill Adams	Josh R. Cosby	Chester J. Holsclaw
Edgar Arnett	B. H. Crider	W. M. Horn, Jr.
Sidney Baer	Owen Deering	Durham W. Howard
Clarence J. Barnum	G. I. Drury	Maurice G. Howard
C. E. Baumgardner	Thomas R. Duncan	Robert N. Hubbard
Leonard T. Bean	R. C. Estepp, Sr.	Silas Jacobs
John D. Beatty	Mitchell S. Fannin	Paul S. Jonas
Fred Beshear	Henry C. Hale	Barkley Jones
R. O. Blevins	C. A. Hammons	William Jones
L. E. Bradley	James P. Hanratty	Jesse H. Lawrence
Edward O. Bridgers	George F. Harris	Mrs. J. T. Linton
Thomas L. Britton	Paul E. Hayes	Homer E. Losey
Charles J. Bronston	John A. Head	A. L. (Chick) Love
J. D. Buckman, Jr.	Harold G. Helm	Harry K. Lowman
Mrs. Mary Burnett	William K. Henry	True Mackey
Charles W. Burnley	E. R. Hilton	Damon Majors
Alex Calvert	Ray Holbrook	John Martin

William T. Marshall	Amos Runyan	Mrs. Thelma Stovall
Jack McPherron	Dr. Roy Sanders	W. R. Stringer
Alton Mitchell	LeRoy Saylor	Egbert V. Taylor
Archie R. Moore	Roy Searcy	M. G. Thompson
Emmett G. Moore	Paul J. Shannon	Rev. T. H. Tinsley
Walter R. Moorman	James S. Shaw	Lyle H. Webb
Fred H. Morgan	Gus Sheehan, Jr.	Ralph N. Walter
C. S. Nabb	Jesse H. Shelton	Morris Weintraub
Dr. C. E. Palmore	Forest Smith	Charles W. Wirsch
James H. Polsgrove	Joseph T. Snapp	Geo. F. Williamson
Leonard W. Preston	John M. Spaulding	Fred M. Warns
Hobart Rayburn	J. Claude Stacy	Harry L. Waterfield
W. R. Reasor	Roy Steers	Adron Doran,
Carl J. Ruh	Raymond D. Stigall	Speaker

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Mr. Waterfield moved that the Chief Clerk read at length the Journal of the proceedings of Tuesday, January 10, 1950.

Mr. Weintraub seconded said motion.

The Speaker ruled that, under the Rules of the House, unless a member made a motion to dispense with the reading of the Journal the same was read at length.

Without objection, Mr. Waterfield withdrew said motion.

The Journal of the proceedings of Tuesday, January 10, 1950, was then read at length.

Mr. Weintraub moved that the Chief Clerk of the House be instructed to have the Journal of January 10, 1950, show that a resolution of the following title, viz:

H. Res. B. A RESOLUTION proposing amendments to the Rules of the House of Representatives for the 1950 Regular Session.

Not on the Clerk'es desk but to be referred.

Said motion was agreed to.

The Chief Clerk was so instructed.

After a time, the Chief Clerk reported that he had discharged that duty.

Mr. Beatty moved that the Chief Clerk of the House be instructed to have the Journal of the proceedings of January 10, 1950, show that had Mr. Maurice G. Howard been present on January 4, 1950, he would have seconded the motion of Mr. Losey for a roll call on a resolution of the following title, viz:

S. Res. No. 9. RESOLUTION extending invitation to President Truman to be the honor guest of the people of Kentucky April 29th next.

(For resolution see H. J. of January 4, 1950, ante.)

Said motion was agreed to.

The Chief Clerk was so instructed.

After a time, the Chief Clerk reported that the had discharged that duty.

Mr. Maurice G. Howard rose to a point of information and inquired if his name appeared on the Journal of the proceedings of January 10, 1950, as having introduced a concurrent resolution relative to the designation of the name of a certain bridge on the Cumberland River.

The Speaker directed the Chief Clerk to have the Journal show the resolution as having been jointly introduced by Messrs. Maurice G. Howard and Mitchell Fannin.

After a time, the Chief Clerk reported that he had discharged that duty.

Mr. Waterfield moved that the Journal of the proceedings of January 10, 1950, be approved as read.

Mr. Preston seconded said motion.

Without objections, said motion was withdrawn.

Mr. Waterfield moved that the Chief Clerk of the House be instructed to have that part of the Journal of the proceedings of January 10, 1950, showing the first reading at length of a bill of the following title, viz:

H. B. No. 14. AN ACT relating to appropriations for the operation, maintenance, support and functioning of the Government of the Commonwealth of Kentucky and its various offices, departments, boards, commissions, institutions, subdivisions, agencies and other State supported activities, and declaring an emergency to exist.

Expunged from the record.

Without objection, said motion was agreed to.

The Chief Clerk was so instructed.

After a time, the Chief Clerk reported that he had discharged that duty.

Mr. Morgan moved that a standing vote of confidence be extended to the Honorable Adron Doran, Speaker.

Said motion was unanimously agreed to.

The membership of the House stood and extended to the Honorable Adron Doran, Speaker, its vote of confidence.

Mr. Love moved that the rules be suspended for the purpose of introducing a guest.

Said motion was unanimously agreed to.

Mr. Love then introduced Mr. Luther Draffin to the members of the House.

Mr. Love moved that the rules be suspended and the privilege of the floor extended to Mr. Luther Draffin.

Said motion was unanimously agreed to.

Mr. Maurice G. Howard moved that the rules be suspended and the privilege of the floor extended to Mr. Roy Disney.

Said motion was unanimously agreed to.

Mr. Beshear moved that the rules be suspended and the privilege of the floor extended to Mr. Mark Sisk.

Said motion was unanimously agreed to.

Mr. Runyan moved that the rules be suspended and the privilege of the floor extended to Mrs. J. E. Johnson and Mrs. J. E. Sanders.

Said motion was unanimously agreed to.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed resolutions which originated in this House of the following titles, viz:

H. Res. No. 1. A JOINT RESOLUTION appropriating the sum of Fifteen Hundred Dollars ($1,500.00) for a contingent fund for the Clerk of the Senate, and appropriating the sum of Fifteen Hundred Dollars ($1,500.00) for a contingent fund for the Clerk of the House.

H. Res. No. 2. A JOINT RESOLUTION appropriating additional compensation for officers and employees of the House and Senate, and declaring an emergency.

Ordered that said resolutions be delivered to the Enrolling Clerk of this House.

Resolutions of the following titles were introduced, viz:

By Mr. Reasor.

H. Res. No. 6. A JOINT RESOLUTION providing for an inquiry into and investigation of the affairs, activities and management of the Department of Kentucky State Police; providing

for a committee to make such inquiry and investigation and prescribing its powers and duties; providing for the appropriation and disposition of funds for such committee, and declaring an emergency.

Said resolution is as follows, viz:

WHEREAS, the Department of Kentucky State Police has been under attack by the press of Kentucky, due to statements made by a member of the Kentucky State Legislature; and

WHEREAS, the statements contained in the newspapers, alleged to have been made by a member of the Kentucky State Legislature, charge the Department of Kentucky State Police and its officers with operating with "Gestapo" like tactics; and

WHEREAS, the reputation, integrity and future of the Department has been questioned and is subject to query; and

WHEREAS, the Commissioner of the Department of Kentucky State Police, Guthrie F. Crowe, realizing that the integrity, actions, and value of the Department of Kentucky State Police have been put in issue and desiring that the Department be thoroughly investigated to determine whether or not it is properly conducted and its policies and aims approved by the Kentucky State Legislature and people of Kentucky; and

WHEREAS, the future of the Kentucky State Police in the State of Kentucky is dependent on a proper organization of unimpeachable nature, which should be conducted in a democratic, conscientious manner;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Speaker of the House of Representatives shall, upon the passage and approval of this Resolution, forthwith appoint a committee of five members of the House, one of whom shall be designated as chairman by the speaker, which committee shall constitute a committee of the General Assembly and, in addition to the powers hereinafter specifically enumerated, shall possess all of the powers granted by Section 39 of the Constitu-

tion and by Sections 6.072 and 6.080 of the Kentucky Revised Statutes.

Sec. 2. The committee is hereby authorized, empowered and directed to fully and thoroughly inquire into and investigate the affairs, activities and management of the Department of Kentucky State Police, including the conduct and acts of all officers and employes of the Department, and the conduct and acts of any and all persons having or who have had transactions, dealings or contracts, directly or indirectly, with the Department or any of its officers or employes.

Sec. 3. The committee is authorized and empowered to employ accountants, attorneys, stenographic and clerical assistants, and such other skilled assistants as it may deem necessary and expedient for the performance of its duties, and to purchase or otherwise acquire necessary equiment and supplies.

Sec. 4. The committee shall have full and plenary powers to subpoena, demand the presence of, and examine under oath administered by the chairman of the committee, any and all officers and employes of the Department of Kentucky State Police, any and all persons having or who have had transactions, dealings or contracts, directly or indirectly, with the Department or any of its officers or employes, and any other person deemed to possess any knowledge or information pertinent to the inquiry and investigation being conducted. The committee shall have the further power to require any and all persons subpoenaed by it to appear at the time and place mentioned in the subpoena, and the power to require by subpoena the production of any books, papers, documents, contracts, records or other data or written matter deemed pertinent to the inquiry and investigation. The committee shall have the further power to receive evidence by deposition and to provide for the taking of depositions in this state or elsewhere, and for the purpose of taking depositions may delegate any member or employe of the committee to conduct the taking of the deposition.

Sec. 5. The committee shall have authority to reimburse its members and employes for actual and necessary traveling expenses, telephone and telegraph expenses, and similar expenses incurred in the performance of the duties of the committee.

Sec. 6. The committee is authorized and empowered to conduct hearings at any place within this state or elsewhere, and to adopt rules governing its meetings, hearings and procedure.

Sec. 7. The enumeration of powers hereinabove set forth shall not be construed as a limitation upon any inherent powers which the committee may possess as a legislative committee under the Constitution, statutes or common law.

Sec. 8. The Sergeant-at-Arms of the House of Representatives and his assistants shall be at the disposal of the committee to serve subpoenas issued by the committee, and it shall be the duty of the sheriff of any county to serve subpoenas at the request of the committee.

Sec. 9. The committee shall proceed as rapidly as practicable with the inquiry and investigation, and report its findings to the General Assembly before adjournment of the present session.

Sec. 10. There hereby is appropriated to the committee provided for by this Resolution, out of the General Expenditure Fund in the State Treasury for the current fiscal year, the sum of five thousand dollars, for the purposes of this Resolution. The chairman of the committee may at any time requisition any part or all of the sum so appropriated, and the Department of Finance, upon receiving such requisition, shall issue its warrant upon the State Treasury for the amount requisitioned. Upon receipt of such warrant, the State Treasurer shall issue his check payable to the chairman of the committee, and upon receipt of the check the chairman shall cause the amount thereof to be deposited in a bank of his selection within this state. Disbursements from the funds so placed upon deposit may be made upon checks signed by the chairman of the committee, for any purpose authorized by this Resolution. At the same time the report of findings of the committee is made pursuant to Section 9 of this Resolution, the chairman of the committee shall present an itemized statement of all disbursements of the committee from the deposited funds, and shall issue to the State Treasurer, for deposit and credit to the General Expenditure Fund, his check upon the deposited funds for any unexpended balance thereof.

Sec. 11. WHEREAS, it is essential that the inquiry and

investigation provided for in this Resolution be made, forthwith in order that the present General Assembly may take such legislative action as may be necessary or desirable for the benefit of the Commonwealth, an emergency is declared to exist and this Resolution shall take effect upon its passage and approval by the Governor.

By Mr. Taylor.

H. Res. No. 7. A JOINT RESOLUTION authorizing Mr. Cassius Stone, of Gradyville, Kentucky, to sue the Commonwealth of Kentucky and the Department of Highways, or either.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Mr. Cassius Stone is authorized to sue the Commonwealth of Kentucky and the Department of Highways of Kentucky, or either, in the Adair Circuit Court, for damages resulting from personal injuries, medical expenses, and damage to his automobile, caused by alleged negligence on the part of an employe of the Department of Highways and the Commonwealth of Kentucky, while said employe was in the line of duty.

The suit of the said Mr. Cassius Stone shall be for a sum not in excess of $10,800.

The Attorney General of the Commonwealth of Kentucky may investigate the claims herein and settle same before or after suit is filed, if he deems it advisable.

Any amount recovered in said suits or by settlement with the Attorney General shall be paid out of the State Road Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this Resolution shall be considered by

either the court or the jury as an admission of negligence upon the part of the Commonwealth, and this Resolution shall not be introduced as evidence for either party nor commented upon by counsel in argument to the jury.

Ordered that said resolutions be printed and referred.

Bills of the following titles were introduced, viz:

By Mr. Drury.

H. B. No. 43. AN ACT to repeal, amend and reenact Section 738 of the Civil Code of Practice.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. Section 738 of the Civil Code of Practice, Time in which to file transcript. The Appellant must file Transcript in the office of the Clerk of the Court of Appeals at least twenty days before the first day of the second term of said court, next after the granting of the Appeal, or within twenty days before the first day of the second term of the said Court next after the Bill of Exceptions is approved, filed and made a part of the record, unless the Court of Appeals extends the term, which, for cause shown, the Court may do.

By Mr. Hilton.

H. B. No. 44. AN ACT relating to elections.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 118.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as provided in subsections (4), (5) and (6) of this section, the county clerk of each county shall cause to be printed

on one ballot the names of all candidates of his jurisdiction who have been properly nominated for any office specified in the ballot and whose nominations have not been withdrawn as provided in KRS 118.160. All nominations of any party or group of petitioners shall be printed under the title and device designated by them in their certificate or petition, or if none is designated, under some suitable title and device. If the same device for designating candidates is selected by two parties or groups of petitioners it shall be given to the one that first selected it, and the clerk shall select a suitable device for the other.

(2) Except as provided in subsections (4), (5) and (6) of this section, the ballots shall in general conform, as nearly as practicable, to the following plan:

(a) The lists of the candidates of the various parties shall be printed in parallel columns, in such order as the Secretary of State directs, precedence being given to the party that polled the higher number of votes for the head of the ticket in the last preceding election. The device of each party shall be placed at the head of the list of candidates of the party. The device shall not be enclosed in a square, but immediately under the device shall be placed a circle one inch in diameter. Immediately under it shall be placed the name or title of the party ticket, and immediately under the name or title shall be placed the list of candidates of the party, the name of each candidate having immediately on its right a small square large enough to contain the cross mark by which the voter is required to designate his vote. Underneath the name of each candidate shall be left a blank space large enough to contain a written name. If upon any ticket there is no candidate for a designated office, a blank space equal to the space that would be occupied by the name of a candidate for that office shall be left.

(b) At the top of all official ballots to be used in any primary, general or special election in any county, and separated from it by a perforated line, shall be a stub, containing the consecutive number of the ballot and a space for the name, residence and registration number of the voter.

(c) On the back shall be printed "Official Ballot," the date of the election and a facsimile of the signature of the clerk who has caused the ballot to be printed. There shall also be printed

on the back of the ballot a blank line followed by the word "Clerk" and a blank line followed by the word "Judge."

(d) The ballots shall be bound, with attached stubs, into books, one for each voting precinct. Upon the covers of the book shall be printed the designation of the precinct for which the ballots have been prepared, and on the inside of one of the covers shall be printed the form prescribed in subsection (2) of KRS 118.410.

(3) Whenever a Constitutional amendment or other public measure is proposed to be voted upon by the people, the substance of the measure shall be clearly indicated upon the ballot, with two spaces upon the right, one for votes favoring the measure to be designated by the word "Yes," and one for votes opposing the measure to be designated by the word "No."

(4) When there are offices or public questions that are to be voted for by only a portion of the voters in any precinct, as in the case of city elections where the city awards or election units are not coextensive with the precinct boundaries, the names of the candidates for such offices and such public questions shall be printed on separate ballots, which shall conform as nearly as practicable with the provisions of this section. Separate ballots shall also be printed for public questions when specifically required by the law providing for the submission of the questions.

(5) The ballots in elections for members of boards of education shall be prepared as provided in KRS 160.220 and 160.230.

(6) The names of candidates of the several political parties and organizations for electors of President and Vice President of the United States shall not be printed on the ballot, but in lieu thereof, immediately under the party name or device of each party in the column of its candidates on the official ballot, there shall be printed within a bracket the name of the candidate for president and the name of the candidate for Vice President of such party, with a square to the right of the bracket. The placing of a cross within the square to the right of the bracket enclosing the names of candidates for President and Vice President, or in the circle at the head of the column of such party, shall not be deemed and taken as a direct vote for such candidates for President and Vice President, but shall only be deemed and

taken to be a vote for the entire list or set of electors chosen by that political party as provided in KRS 118.090.

Sec. 2. Subsection (1) of Section 118.280 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person desiring to vote and legally entitled to vote shall give his name and residence to the clerk holding the ballots, who shall write the same upon the stub of the ticket in the blank places provided therefore, together with the voter's registered number. The clerk shall then detach the ballot from the stub, sign his name on the line designated for the clerk's signature and deliver it to one of the judges who shall sign his name on the blank line designated for the judge's signature. No ballot not so signed by one of the judges shall be counted by the canvassing board. After the ballot has been signed by the clerk and one of the judges, the clerk shall hand it to the voter. The clerk shall give the voter only one ballot, and on request of the voter shall explain the manner of voting. When there are separate ballots for offices or public questions to be voted for by only a portion of the voters in a precinct, such ballots shall be given only to such voters as reside in the portion of the precinct that is within the territory for which the office is provided or with respect to which the public question is submitted. The separate ballots for the election of members of boards of education shall be issued as provided in KRS 160.240.

Sec. 3. Section 118.290 of the Kentucky Revised Statutes is amended to read as follows:

(1) If the voter, upon examining his ballot, finds that it is not signed on the back by the clerk of the election and one of the judges of the election, the voter shall return the ballot to the election officers for said signatures before voting the ballot. After marking his ballot the voter shall deposit the ballot in the ballot box. It shall be the duty of the election officers to see that all voted ballots are placed in the ballot box by the voter as provided in this section, and if the voter attempts to leave the room with a ballot he shall be arrested by the sheriff of the election and the ballot shall be taken from his possession, marked "spoiled," with the name of the voter from whom the ballot was taken and a statement that the ballot was taken from him while attempting

to leave the room with it, and shall be signed by the clerk of the election and one of the judges of the election and returned with the spoiled ballots. It shall be unlawful for any election officer, after a ballot has been delivered to a voter, to unfold the ballot or to attempt, directly or indirectly, to ascertain how the ballot has been voted.

(2) No voter shall cast any ballot other than the one that he received from the election clerk.

(3) Each voter shall mark his ballot without undue delay and shall not occupy a booth when occupied by another. He shall leave the booth and the room when the ballot is marked and deposited by him in the ballot box. Voters shall not occupy any booth more than three minutes when others are waiting to vote.

Sec. 4. Section 118.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) If no contest is filed, the county board of election commissioners shall return the keys to the ballot boxes to the county clerk at the expiration of fifteen days after the count is completed. If a contest is filed, the board shall hold the keys subject to the orders of the court trying the contest.

(2) When the county board of election commissioners has completed the count of the votes and has executed the required certificates, it shall deliver the stub books containing the returns, together with the undestroyed ballots, enclosed in an envelope, to the county clerk.

(3) The stub books, ballots, tally sheets, linen envelopes and voters' affidavits shall, after the results of the election have been certified, remain in the office of the county clerk as a part of his records for a period of six months. If at the expiration of the said six months there is no contest, recount or criminal prosecution pending involving the same, the clerk shall deliver the same to the appropriate authority for use in supplying paper needed in National Defense. If a contest, recount or criminal prosecution is pending at the end of the six months' period, the clerk shall make a similar disposition of such material when authorized by order of the judge of the court in which the proceeding or prosecution is pending. After the termination of the present National

Emergency the clerk shall, at the end of the six months' period above referred to, or when authorized by the circuit judge of the county, sell the material for the best price obtainable and pay the proceeds into the county treasury, after taking proper precautions to see that no information as to how any voter has voted can be obtained from examining such material. If no sale can be made the material shall be destroyed.

By Mr. Duncan.

H. B. No. 45. AN ACT relating to school building funds, with particular reference to taxes for building fund purposes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

(1) (a) Upon request of the board of education of any school district, the tax levying authority of the district shall adopt an ordinance or resolution submitting to the qualified voters of the district, the question as to whether a special school building tax rate of not less than five cents nor more than fifty cents as requested by the board shall be levied on each one hundred dollars of property subject to local taxation. This tax levy shall be in addition to the maximum school tax levy provided by KRS 160.475. The income from the tax shall be used for the purchase or lease of school sites and buildings, for the erection and complete equipping of new school buildings, for the major alteration, enlargement and complete equipping of existing buildings, for the purpose of retiring, directly or through rental payments, school revenue bonds issued for such school building improvements, and for the purpose of financing any program for the acquisition, improvement, or building of schools. The question shall be so framed that the voter may by his vote answer "For" or "Against".

(b) In independent districts embracing cities of the first four classes the election shall be held at the next general election held not less than thirty days after the adoption of the ordinance or resolution. In other districts the election shall be held at a time fixed in the ordinance or resolution, not less than fifteen nor

more than thirty days from the time the request of the board is filed with the tax levying authority, and reasonable notice of the election shall be given. The election shall be conducted and carried out in the school district in all respects as required by the general election laws, and shall be held by the same officers as required by the general election laws. The expense of the election shall be borne by the fiscal court except where the election is held in a district embracing a city of the first five classes, in which case the cost of the election shall be borne by the governing body of the city.

(c) If a majority of those voting on the question favor the special school building tax levy, the tax levying authority shall when the next tax rate for the district is fixed levy the special rate specified by the board of education of the school district for the school building fund in addition to the levy provided by KRS 160.475.

(2) There may be included, in the maximum levy provided for in KRS 160.475, a special levy for building fund purposes as authorized by KRS 160.476, which shall be in addition to the levy authorized by vote as provided in subsection (1) of this section.

(3) In addition to or in lieu of this special tax, any board of education may pay into this special fund at the close of any fiscal year the proceeds from the sale of land or property no longer needed for school purposes and allow any balance remaining in the general fund over and above the amount necessary for discharging obligations for the fiscal year in full.

(4) The special fund provided for in subsection (1) of this section shall be kept in a separate account designated as "Special Voted School Building Fund." The fund shall be kept in the depository selected by the board of education, or invested in bonds of the United States, of this state, or of any county or municipality in this state, provided however, that such investment shall be approved by the State Board of Education.

(5) All expenditures from such fund shall be made solely for the purpose enumerated in this section and shall be made in accordance with the school laws of the state at such times as the board of education determines. The board of education shall

cause to be made annually an audit of the building fund by a certified public accountant or by an accountant approved by the State Department of Education.

By Messrs. Morgan and Burnley.

H. B. No. 46. AN ACT relating to judicial districts; creating an additional district and making changes in the apportionment of counties to the Second, Third and Fourth Districts in order to comply with the meaning and intent of the Constitution with respect to the division of the state into judicial districts; providing for the continuation in office of the present circuit judges and Commonwealth's attorneys and creating the offices of circuit judge and Commonwealth's attorney for the new district established by this Act; and providing for the holding of court in each district affected by this Act.

Said bill is as follows, viz:

WHEREAS, the General Assembly has given due regard to the elements of territory, business and population in the division of the state into judicial districts; and

WHEREAS, with such due regard, the General Assembly has found the following facts to exist:

1. That the entire population of the state, as of the last preceding Federal Census, is 2,845,627.

2. That upon the basis of such population, additional judicial districts may be established to those now existing, pursuant to Sections 128, 132 and 138 of the Constitution.

3. That the County of McCracken contains a city of more than twenty-thousand inhabitants and has a population, including said city, of more than forty thousand, and thus has the privilege, under Section 138 of the Constitution, of constituting a judicial district.

4. That it will be convenient and advantageous from the standpoint of territory, and will comply with the spirit and intent of the Constitution with respect to population, and will expedite the business of the courts in the counties involved, to create a

new judicial district to consist of the Counties of Livingston, Marshall and Calloway, and to change the Third and Fourth District, so they will consist of the following counties:

Third District—Christian, Lyon and Trigg

Fourth District—Caldwell, Crittenden and Hopkins

NOW, THEREFORE

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Second, Third and Fourth Judicial Districts shall hereafter be composed of the following counties:

Second District—McCracken

Third District—Christian, Lyon and Trigg

Fourth District—Caldwell, Crittenden and Hopkins.

Sec. 2. A new judicial district is established, to be numbered 42nd Judicial District, and to consist of the Counties of Livingston, Marshall and Calloway.

Sec. 3. The present circuit judges and Commonwealth's attorneys for the Second, Third and Fourth Judicial Districts, as now constituted, shall retain their respective offices for the terms for which they were elected, for the said districts as they have been changed under this Act.

Sec. 4. The offices of circuit judge and Commonwealth's attorney for the new judicial district established by this Act, being the 42nd Judicial District, are hereby created. Until the regular election for circuit judges and Commonwealth's attorneys in 1951, said offices shall be filled as provided in Section 152 of the Constitution for offices in which there is a vacancy.

Sec. 5. The regular term of each court in the judicial districts dealt with by this Act shall commence in each county at the following named time, and continue, if the business requires it, the number of days hereinafter prescribed:

Second District. McCracken County, at Paducah, continuous session.

Third District. Christian County, at Hopkinsville, on the

fourth Monday in February, thirty-six juridical days; on the first Monday in June, twenty-four juridical days; and on the fourth Monday in September, thirty-six juridical days.

Lyon County, at Eddyville, on the first Monday in May, on the third Monday in August, and on the first Monday in December, twelve juridical days each.

Trigg County, at Cadiz, on the fourth Monday in January, twenty-four juridical days; on the third Monday in May, twelve juridical days; and on the first Monday in September, eighteen juridical days.

Fourth District. Caldwell County, at Princeton, on the first Monday in March, twelve juridical days; on the first Monday in June and on the fourth Monday in October, eighteen juridical days each.

Crittenden County, at Marion, on the third Monday in March and on the fourth Monday in June, eighteen juridical days each; on the third Monday in November, twelve juridical days.

Hopkins County, at Madisonville, on the first Monday in February, on the first Monday in May and on the fourth Monday in September, twenty-four juridical days each.

39th District. Livingston County, at Smithland, on the second Monday in May, on the first Monday in September, and on the first Monday in December, eighteen juridical days each.

Marshall County, at Benton, on the first Monday in March, twelve juridical days; on the fourth Monday in June, eighteen juridical days; and on the second Monday in October, twelve juridical days.

Calloway County, at Murray, on the second Monday in April, twenty-one juridical days; on the first Monday in August, eighteen juridical days; and on the first Monday in November, twenty-one juridical days.

Sec. 6. In order not to disturb any term of court in the districts dealt with by this Act, this Act shall not take effect until September 1, 1950.

By Messrs. Weintraub and Sheehan.

H. B. No. 47. AN ACT providing for fair trade minimum mark-up prices for the sale of malt beverages by retailers for consumption off the premises, and providing for enforcement through injunctive processes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. In order that fair trade practices may be observed in the retail sale of malt beverages, it is hereby provided that no holder of a malt beverage retailer's license may sell or offer to sell any malt beverage at retail, in the ordinary course of trade, for consumption off the licensed premises, at a price less than twenty-five percent above the cost of such malt beverage to the retailer, which cost shall be deemed to consist of the actual price paid by the retailer to the brewer or distributor, inclusive of bottling charges and all other charges paid to the brewer or distributor, plus taxes and transportation charges.

Sec. 2. Any person who offers for sale or sells any malt beverage at less than the price required by Section 1 of this Act may be injoined from further violations on application to the circuit court by any law enforcement officer or aggrieved person.

By Messrs. Weintraub and Wirsch.

H. B. No. 48. AN ACT relating to procedure for the establishment of new schedule of rates by public utilities.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 278.180 of the Kentucky Revised Statutes is amended to read as follows:

No change in rates shall be made except upon notice to the commission, stating plainly the changes proposed to be made. Copies of this notice shall be served upon the mayor of each city and the county judge of such county in which the utility

operates and which area or areas will be affected by the change, within ten days after the notice has been served upon the commission. Proof of service shall be filed with the commission.

Sec. 2. Section 278.190 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever any utility files with the commission any schedule of new rates, and files with it the proofs of service as set forth in KRS 278.180, the commission shall forthwith set and fix a date and place for a hearing concerning the reasonableness of the new rates. Said hearing date shall not be held sooner than thirty days, from the date of the filing of said schedule of new rates. All parties required to be served shall be notified of the hearing date and place in accordance with KRS 278.310.

(2) A schedule of new rates proposed by a utility shall not be put into effect unless and until the commission so orders, after a hearing in which it finds the proposed changes in rates are just, reasonable, non-discriminatory and in conformance with law.

(3) A decision on any application filed by a utility for an increase in rates shall be rendered by the Commission within 240 days after the filing of said schedule of new rates unless it is necessary, for good cause, to continue the case for a longer period than 240 days in which case the order continuing the case shall state fully the facts which make it necessary.

(4) Nothing contained herein shall be deemed to abrogate or eliminate the rights and procedure now provided for by KRS 278.270, but same shall remain in full force and effect and shall be deemed cumulative and in addition to the provisions contained herein.

(5) KRS 278.180 and subsections (1) and (2) of this section shall not apply in cases where schedules reducing the rates are filed by utilities, but the rights of the commission upon its own motion or the rights set forth in KRS 278.260 shall not be affected or abridged.

Ordered that said bills be printed and referred.

Mrs. Burnett of the Committee on Appropriations, to which

the same had previously been referred, reported a bill and resolution as follows, viz:

H. B. No. 14. AN ACT relating to appropriations for the operation, maintenance, support and functioning of the Government of the Commonwealth of Kentucky and its various offices, departments, boards, commissions, institutions, subdivisions, agencies and other state supported activities, and declaring an emergency to exist.

H. Res. No. 3. A JOINT RESOLUTION providing for an inquiry into and investigation of the affairs, activities and management of the Kentucky Department of Aeronautics; providing for a committee to make such inquiry and investigation and prescribing its powers and duties; providing for the appropriation and disposition of funds for such committee, and declaring an emergency.

With the expression of opinion that same should pass.

Mr. Runyan moved that the Constitutional provision as to the first reading at length of said bill and said resolution be dispensed with, and same be read for the first time by their titles only.

The Speaker ruled said motion out of order and directed the Chief Clerk to read said bill and said resolution at length.

Whereupon, said bill and said resolution were each and severally read at length for the first time and

Ordered placed in the Calendar.

Mr. Hanratty moved that the Journal of the proceedings of Tuesday, January 10, 1950, be approved as corrected.

Said motion was agreed to.

Mr. Hanratty moved that the House do now adjourn to meet again at 10 o'clock, a.m., Thursday, January 12, 1950.

Said motion was agreed to.

And then the House adjourned.

THURSDAY, JANUARY 12, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by Father Joseph A. O'Dwyer, Church of the Good Shepherd, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams
Bill Adams
Edgar Arnett
Sidney Baer
Walter J. Bailey
Clarence J. Barnum
C. E. Baumgardner
Leonard T. Bean
John D. Beatty
Fred Beshear
R. O. Blevins
L. E. Bradley
Edward O. Bridgers
Thomas L. Britton
Charles J. Bronston
J. D. Buckman, Jr.
Mrs. Mary Burnett
Charles W. Burnley
Alex Calvert
Stanley Carter
Paul Combs
Josh R. Cosby
B. H. Crider
Owen Deering
G. I. Drury
Thomas R. Duncan
R. C. Estepp, Sr.
Mitchell S. Fannin
Henry C. Hale
C. A. Hammons
James P. Hanratty
George F. Harris
Paul E. Hayes
John A. Head
Harold G. Helm
William K. Henry
E. R. Hilton
Ray Holbrook
W. W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
D. W. Howard
Maurice G. Howard
Robt. N. Hubbard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
Jesse H. Lawrence
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
True Mackey
Damon Majors
John Martin
Wm. T. Marshall
Jack McPherron
Alton Mitchell
Archie R. Moore
Emmett G. Moore
W. R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
L. W. Preston
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
Amos Runyan
Dr. Roy Sanders
LeRoy Saylor
Roy Searcy
Paul J. Shannon
Jesse H. Shelton
Forest Smith
Roy Steers
Mrs. Thelma Stovall
W. R. Stringer
Egbert V. Taylor
M. G. Thompson
Rev. T. H. Tinsley
Ralph N. Walter
Morris Weintraub
Charles W. Wirsch
Fred M. Warns
Harry Lee Waterfield
Adron Doran,
Speaker

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The Chief Clerk of the House read at length the Journal of the proceedings of Wednesday, January 11, 1950.

Mr. Hanratty moved that the Journal of the proceedings of Wednesday, January 11, 1950, be approved.

Said motion was agreed to.

Mr. Fannin spoke to a point of personal privilege.

Mr. Fannin moved that Mr. Weintraub apologize to the members of the House.

Without objections, said motion was withdrawn.

Mr. Weintraub arose and spoke to a point of personal privilege.

Mr. Duncan arose and spoke to a point of personal privilege.

Mr. Head arose and spoke to a point of personal privilege.

Mr. Harris arose and spoke to a point of personal privilege.

REPORT OF COMMITTEE ON ENROLLMENT

Mr. Tinsley of the Committee on Enrollment reported that they had examined and found to be correctly enrolled resolutions of the following titles, viz:

H. Res. No. 1. A JOINT RESOLUTION appropriating the sum of Fifteen Hundred ($1500.00) Dollars for a contingent fund for the Clerk of the Senate, and appropriating the sum of Fifteen Hundred ($1,500.00) Dollars for a contingent fund for the Clerk of the House.

H. Res. No. 2. A JOINT RESOLUTION appropriating additional compensation for officers and employees of the House and Senate, and declaring an emergency.

Thereupon, all other business was suspended, said resolutions were read at length and compared in open session and

found to be correctly enrolled, and thereupon, the Speaker in open session and in the presence of the House, affixed his signature thereto.

Ordered that the Enrolling Clerk aforesaid deliver the original and enrolled copies of said resolutions to the Senate.

After a time the Enrolling Clerk aforesaid delivered the original and enrolled copies of said resolutions duly signed by the President of the Senate into the possession of the Chief Clerk of this House.

Ordered that the Chief Clerk deliver said resolutions to the Governor.

After a time the Chief Clerk reported that he had discharged that duty.

Mr. Tinsley moved that the rules be suspended for the purpose of introducing a guest.

Said motion was unanimously agreed to.

Thereupon, Mr. Tinsley introduced to the members of the House Mr. W. Sharon Florer and moved that he be extended the privilege of the floor.

Said motion was unanimously agreed to.

Mr. Durham W. Howard moved that the rules be suspended and the privilege of the floor extended to Mr. Ray Logan.

Said motion was unanimously agreed to.

Mr. Steers moved that the rules be suspended and the privilege of the floor extended to Messrs. Allen and Downey.

Said motion was unanimously agreed to.

Mr. Beatty moved that the rules be suspended and the privilege of the floor extended to Mr. G. I. Glower.

Said motion was unanimously agreed to.

Mr. Helm moved that the rules be suspended and the privilege of the floor extended to Mr. William Watkins.

Said motion was unanimously agreed to.

Mr. Thompson moved that the rules be suspended and the privilege of the floor extended to Mr. Jason Roberts.

Said motion was unanimously agreed to.

Mr. Smith moved that the rules be suspended and the privilege of the floor extended to Mr. Bennett R. Lewis.

Said motion was unanimously agreed to.

Mr. Searcy moved that the rules be suspended and the privilege of the floor extended to Mr. R. B. Cartmell.

Said motion was unanimously agreed to.

Mr. Walter moved that the rules be suspended and the privilege of the floor extended to the Reverend Raymond Johnson.

Said motion was unanimously agreed to.

Mr. Hammons moved that the rules be suspended and the privilege of the floor extended to Mr. Horace Bright.

Said motion was unanimously agreed to.

Mr. Durham moved that the rules be suspended and the privilege of the floor extended to Mr. Clarence Rush.

Said motion was unanimously agreed to.

Mr. Thompson moved that the rules be suspended and the privilege of the floor extended to Mr. F. W. McWhorter.

Said motion was unanimously agreed to.

Mr. Taylor moved that the rules be suspended for the purpose of introducing a guest.

Said motion was unanimously agreed to.

Thereupon, Mr. Taylor presented to the members of the House Mr. Knifley, and moved that he be extended the privilege of the floor.

Said motion was unanimously agreed to.

Mr. Tinsley moved that the rules be suspended and the privilege of the floor extended to Mr. William G. Walker.

Said motion was unanimously agreed to.

Mr. Smith moved that the rules be suspended and the privilege of the floor extended to Mr. Tom Cavanaugh.

Said motion was unanimously agreed to.

Mr. Weintraub moved that the Chief Clerk be instructed to have printed one hundred copies of a resolution of the following title, viz:

H. Res. B. A RESOLUTION proposing amendments to the Rules of the House of Representatives for the 1950 Regular Session.

Mr. Maurice G. Howard seconded said motion.

Without objection, said motion was withdrawn.

Mr. Harris moved that any extra copies of a resolution of the following title, viz:

H. Res. B. (For title see H. J. of today, ante.)

Be given to Mr. Weintraub.

Said motion was agreed to.

Mr. Preston offered the following resolution, viz:

H. Res. A. A RESOLUTION requesting information concerning the operations, activities and finances of the State Property and Buildings Commission.

Be it resolved by the House of Representatives of the Commonwealth of Kentucky:

That the chairman of the State Property and Buildings Commission be and he is hereby requested to submit to the General Assembly a detailed statement of the receipts and disbursements of the State Property and Buildings Commission and of its predecessor, the Kentucky Building Commission, together with a statement of outstanding encumbrances and of the unencumbered balance of the capital outlay appropriation as of December 31, 1949.

Said resolution was adopted.

Mr. Smith offered the following resolution, viz:

H. Res. No. 8. A CONCURRENT RESOLUTION concerning the process of reporting results of the State Bar Examination.

WHEREAS, the Court of Appeals of this Commonwealth has for many decades in the past sagaciously rendered aid and comfort to the members of the legal profession and at all times graciously guided and directed the bar of this Commonwealth, until today it is held in the highest esteem by all, and

WHEREAS, applicants for admission to the bar of this Commonwealth must be of the highest moral character and have completed a course of study rigorously designed to prepare them for their honored position, and

WHEREAS, they are then administered, under the profound supervision of the Court of Appeals of this Commonwealth, a comprehensive examination astutely prepared and designed to eliminate those who do not fully meet the high standards required by this Commonwealth, and

WHEREAS, in the past there has been no great need for

hurried action in compiling and publishing the reults of the aforesaid examination, today there has arisen such need. Many of the applicants are veterans, and have received their legal training under the G. I. Bill of Rights. In most cases they have recently completed from four to five years in school, their savings are exhausted, and may have families for which they must provide. Until the results of the aforesaid examination are published they cannot seek employment in their chosen profession and have no means of support whatsoever,

NOW, THEREFORE,

Be it resolved by the House of Representative of the Commonwealth of Kentucky, the Senate concurring therein:

That we, the members of the General Assembly of the Commonwealth of Kentucky, respectfully submit to the Honorable Court of Appeals of the Commonwealth of Kentucky, that any improvement that can be made in the aforementioned process of reporting the results of the State Bar Examination would be a great service to the Commonwealth.

Mr. Smith moved the Previous Question.

Whereupon the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Said resolution was then adopted.

INTRODUCTION OF BILLS

Bills and a resolution of the following titles were introduced, viz:

By Mr. Deering.

H. B. No. 49. AN ACT empowering justices of the peace to serve on county road committees and providing for payment of a per diem therefor, amending subsection (3) of Section 67.110 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (3) of Section 67.110 of the Kentucky Revised Statutes is amended to read as follows:

County commissioners or justices of the peace shall not receive any other compensation for their services or any compensation for serving on committees of the fiscal court except that in counties where the fiscal court controls and supervises the county roads through a committee of its members, the justices of the peace serving on that committee shall be paid out of the county treasury eight dollars for each day of actual service; but no justice of the peace shall receive such per diem for more than thirty-five days in any one calendar year.

By Mr. Wirsch.

H. B. No. 50. AN ACT relating to dogs.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section. 1. In any transaction in this state involving the sale of a dog, the seller shall sign and give, and the buyer shall receive a bill of sale setting out the name and description of the dog, names and addresses of the buyer and seller, and the date of the sale. Any person violating this section shall be fined not more than fifty dollars.

Sec. 2. Any person stealing a licensed dog in this state shall be confined in the county jail for not less than one nor more than twelve months.

By Mr. Reasor.

H. B. No. 51. AN ACT relating to poultry and hatching eggs.

Said bill is as follows, viz:

Be it enacted by the Genral Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 257.450 of the Kentucky Revised Statutes is amended to read as follows:

All poultry of whatever age or species and all hatching eggs that are sold or offered for sale within this State or enter into this State not in compliance with the provisions of KRS 257.370 to 257.460 shall be quarantined by the Livestock Sanitary Division. Where possible the division shall make the tests necessary to determine whether or not pullorum disease is present in any of the quarantined poultry. With respect to all other poultry where tests are not possible, and to hatching eggs, sufficient proof must be presented that they have originated from approved flocks. The poultry or flocks found to be infected with pullorum disease, and the poultry and hatching eggs lacking the required proof of origin from approved flocks shall be destroyed.

Sec. 2. A new section of the Kentucky Revised Statutes is created to read as follows:

For the purpose of enforcing the provisions of KRS 257.330 to 257.440 the inspectors of the Livestock Sanitary Division shall have free access to any premises or vehicles for the purpose of inspection.

By Messrs. Britton and Marshall.

H. B. No. 52. AN ACT relating to the election of a County School Superintendent in various counties of Kentucky and repealing so much of Section 160.350 Kentucky Revised Statutes as may be inconsistent herewith.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section I. Any person, who is over the age of twenty-five years and a native born American citizen in any county of the

Commonwealth of Kentucky shall be eligible for the office of superintendent of Schools of such county provided he has been duly issued a certificate of Administration and Supervision by the Superintendent of Public Instruction of the Commonwealth of Kentucky, in accordance with the provisions of law which qualify him to hold the position for which he, under the provisions of this act, may become a candidate.

Section II. (a) For the position of Superintendent of schools of any County of this Commonwealth, any person eligible under the provisions of Section I, may become or be proposed as a candidate for nomination by any and every political party having a ticket to be voted for in the county for which the office of County School Superintendent is to be filled, but such person or persons shall not be required to have registered as affiliated with any political party, or to have registered at all as a voter. The nomination or nominations may be proposed for an eligible candidate either by a resolution of the proper committee or by the application of two reputable electors of any political party whose nomination is sought. The resolution or application shall be filed as provided by KRS 119.080 for other nomination papers. The name of the candidate shall not be placed upon the ballot if before the preparation of the ballots he files with the officer with whom the nomination papers were filed a written objection subscribed and sworn to by him.

(b) The name of a successful candidate in the Primary for nomination or nominations for such offices shall appear on the ballot at the regular election under the device of as many political parties as have nominated a candidate. He may appear thereon by petition of the voters, or otherwise as may be permitted by law and at the regular election shall be entitled to the total of the votes that he receives on the ballot.

(c) Before any such successful candidate for office of County School Superintendent shall be given a certificate or certificates of nomination, he shall file with the county clerk in the county in which he resides, a duly sworn statement that during the campaign for nomination or nominations he did not, or will not during said campaign for election, promise to recommend to the County Board of Education any person for a position as a teacher or an employee of the County Board of

Education for any school or school district within said county and that while a candidate for election for the office of County School Superintendent, he or she will not knowingly violate any law of the Commonwealth or any law relating to corrupt and fraudulent practices in campaigns or elections in this state. Such sworn statement shall further declare that during his term of office he will not, if elected participate directly or indirectly in the election of any candidate to public office in a Magisterial District, County or in the Commonwealth of Kentucky.

(d) Nothing in this act shall prevent any political party from offering a candidate for election for the office of County Superintendent under the device of the party if the governing authority of the party in the County so orders.

Section III. Section 160.350, KRS, is hereby repealed insofar as it relates to the appointment of Superintendent of Schools by the Board of Education of any county school district, or is inconsistent herewith, and no County Board of Education shall appoint or enter into a contract with any person as a superintendent of Schools for a county district for a period longer than January 1, 1950. The office of County School Superintendent, effective January 1, 1950, shall be filled by election of such person in the manner set forth in the preceding sections and at the regular November election held in the year 1949 according to the general election laws of the Commonwealth of Kentucky. Such person desiring to be County School Superintendent of the district shall file his nomination papers as now provided by law and in accordance with the provisions of this act.

Section IV. All other provisions of law relative to the powers and duties of a Superintendent of County Schools shall remain in full force and effect.

By Mr. Hilton.

H. B. No. 53. AN ACT relating to recordation of marriages, amending subsection (12) of Section 402.990 of the Kentucky Revised Statutes providing a penalty.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (12) of Section 402.990 of the Kentucky Revised Statutes is amended to read as follows:

Any county clerk who violates any of the provisions of KRS 402.110 or 402.230 shall be fined not less than twenty nor more than fifty dollars.

By Mr. Snapp.

H. B. No. 54. AN ACT relating to hours of work and annual leave for members of the Police Department of cities of the third and fourth class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 95.——— of the Kentucky Revised Statutes shall be enacted as follows: 95.———. *Hours of work and annual leave for members of Police Departments, cities of third and fourth class.*

In all cities of the third and fourth class within the Commonwealth of Kentucky, except those in which, by referendum ordinance, the patrolmen are employed or paid by the day, the members of the Police Department shall not be required to work more than eight hours per day, for six days each week, except in the event of an emergency. Each member of the Police Department in such cities of the third and fourth class shall have annual leave of fifteen days with full pay.

The salary of the members of the Police Department shall not be reduced by reason of the foregoing.

WHEREAS, an emergency exists for the immediate taking effect of this Act, the same shall be in full force and effect from and after its passage.

By Mr. Smith,

H. B. No. 55. AN ACT relating to the fee of court commissioners and receivers, amending Section 64.260 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 64.260 of the Kentucky Revised Statutes is amended to read as follows:

(1) The fees of court commissioners and receivers for the following services shall be as follows:

To a commissioner for alloting dower, dividing land or settling accounts, per day ..... $ 1.50

To a commissioner for making a deed 1.50

To master commissioner or receiver, where the amount is not agreed upon by the parties, for each day they are actually engaged 3.00

For selling land or personal property:

Where the amount of the sale does not exceed $2,000 .. 7.50

Where the sale amounts to more than $2,000, but does not exceed $5,000 ..... 10.00

Where the sale amounts to more than $5,000, but does not exceed $10,000 ..... 15.00

Where the sale exceeds $10,000 ..... 25.00

Where the officer goes out of the county to make the sale he shall be allowed his actual expenses and five dollars per day in addition to the fees.

Where more than one tract of land is sold under the same decree, the court may allow not exceeding five dollars for each additional tract sold.

If a sale is set aside because of the fault of the officer making the sale, he shall not receive any compensation for his services connected with the sale.

For receiving and paying out money under an order of court:

Where the amount is $5,000 or less, 2 per cent.

Where the amount is more than $5,000, 1 per cent.

(2) If the commissioner needs, for the proper conduct of his office, a deputy, and he and his deputy or deputies are constantly employed in the discharge of their duties, the court may allow him, for reports and other services rendered under order of court, such fees as the court prescribes.

(3) Fees and allowances to commissioners and receivers shall in all cases, be taxed as part of the costs, and may be collected by the distress as circuit clerks fees are collected or on motion of the persons entitled to them by judgment and execution or attachment.

(4) No allowance shall be made to a commissioner or receiver until he has filed in court a written statement under oath of the number of days he has acted. In all cases evidence may be heard for and against an allowance.

H. B. No. 56. AN ACT relating to exemption of personal property from execution, attachment, distress or fee-bill, amending Section 427.010 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 427.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) The following property of a person with a family resident in this state shall be exempt from execution, attachment, distress or fee-bill.

(a) All wearing apparel, except jewelry.

(b) Personal property to the value of one thousand dollars which shall be in addition to the specific exemptions allowed by this section and by KRS 427.030 and 427.040.

(c) Ninety per cent of income and profits of whatever nature of not more than thirty dollars per week. If such income or profits exceed the sum of thirty dollars per week, then fifty per cent of such income or profits in excess of said sum of thirty dollars

per week shall be exempt and fifty per cent thereof shall be subject to execution, provided, however, that no exemption of income and profits in excess of fifty dollars per week shall be allowed.

(2) The following property of a single person resident in this state shall be exempt from execution, attachment, distress or fee-bill.

(a) All wearing apparel, except jewelry.

(b) Personal property to the value of five hundred dollars which shall be in addition to the specific exemptions allowed by this section and KRS 427.030 and 427.040.

(c) Ninety per cent of income and profits of whatever nature of not more than twenty dollars per week. If such income or profits exceed the sum of twenty dollars per week, then fifty per cent of such income or profits in excess of said sum of twenty dollars per week shall be exempt and fifty per cent thereof shall be subject to execution, provided, however, that no exemption of income and profits in excess of dollars per week shall be allowed.

Sec. 2. A new section of the Kentucky Revised Statutes is created to read as follows:

Before any person shall be entitled to the benefits of subsection (1) (a), (1) (b), (2) (a) or (2) (b) of Section 1 of this Act, he shall make out and deliver to the sheriff or other officer having the writ an inventory of all his personal property of every description belonging to him or in which he may have an interest at the date of the issuing of the writ and make an affidavit that such inventory contains a full and true account of all his personal property. The affidavit shall show all personal property disposed of since the issuing of the writ and what disposition was made of proceeds received from such property, and no property shall be set aside as exempt until such inventory and affidavit is furnished.

Sec. 3. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) The debtor may designate the property he claims as

exempt at the time he makes the inventory required by Section 2, and the officer having the writ shall appoint two disinterested householders for the appraisement of any property claimed to be exempted, one appraiser to be selected by the creditor and one by the debtor and, in case of disagreements, the two appraisers shall select a third. If either party fails to select an appraiser the same shall be selected by the officer having the writ. Appraisers shall be allowed a fee of two dollars which shall be taxed as costs in the pending litigation.

(2) Property designated by the debtor up to the value of the exemption, as fixed by the appraisers, and as allowed in Section 1 of this Act, shall be set aside to the debtor, and if the property designated by the debtor does not equal the value of his exemption he shall be allowed the balance in cash from the proceeds of the sale of any personal property sold under the writ. In the event the debtor refuses to designate any property to be set aside as exempt, the officer selling the property under the writ shall set aside in cash the personal property exemption provided in this Act for the benefit of the debtor.

Sec. 4. Section 427.020, of the Kentucky Revised Statutes is repealed.

Sec. 5. Section 427.030 of the Kentucky Revised Statutes is amended to read as follows:

The tools, not exceeding three hundred dollars in value, of any mechanic are exempt from levy under execution, attachment, distress for rent or fee-bill. The officer making the levy shall, before proceeding to sell the tools, ascertain their value by an appraisal by two discreet, disinterested housekeepers selected and sworn by him. The officer shall set apart for the defendant the tools exempt, which may be selected by the defendant, and may sell the residue. A list of the tools set apart shall be returned by the officer with the process.

Sec. 6 Section 427.040 of the Kentucky Revised Statutes is amended to read as follows:

The professional libraries, instruments, office furniture and office equipment of a physician, surgeon or attorney at law, and the library of a minister, not exceeding one thousand dol-

lars in value, are exempt from execution, attachment, distress for rent or fee-bill.

By Mr. Jones.

H. B. No. 57. AN ACT relating to the State Fair Board, amending Section 247.110 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 247.110 of the Kentucky Revised Statutes is amended to read as follows:

The State Fair Board shall elect from among such members as the Governor shall appoint a President and a Vice-President. The Board shall elect and employ a Secretary who shall be responsible directly to the Board as the keeper of all records pertaining to the operation of the Fair or the business of the Board. The manager provided for in KRS 247.130 shall be ex-officio Treasurer to the Board.

By Mr. Shannon.

H. B. No. 58. AN ACT relating to the number of hours firemen of cities of the second class shall be required to be on duty and providing a vacation for such firemen, amending Section 95.550 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 95.500 of the Kentucky Revised Statutes is amended to read as follows:

(1) The chief of the fire department in cities of the second class shall be present at all fires and investigate their cause. He may examine witnesses, compel the production of testimony, administer oaths, make arrests, and enter any building for the

purpose of examination, that, in his opinion, is in danger from fires. He shall report his proceedings to the city legislative body when required.

(2) The chief shall direct and control the operations of the members of the fire department in the discharge of their duties. He shall have access to and use all cisterns, fireplugs, the waters of the waterworks and the cisterns of private persons, for the purpose of extinguishing fires. He shall have the right to examine all cisterns, and all plugs and pipes of the waterworks, to see that they are in condition for use in case of fire. He shall have control of all buildings, hose, engines, and other equipment provided for the fire department. He shall perform such other duties as the city legislative body shall, by ordinance prescribe.

(3) The fire department of each second class city shall be divided into two platoons. Each platoon shall be on duty twenty-four consecutive hours, except in cases of extraordinary emergency, and shall then remain off duty for twenty-four consecutive hours. Each individual member of the platoons, in addition to receiving twenty-four hours off duty in each period of forty-eight hours, shall receive an additional period of twenty-four consecutive hours off duty in each period of seven calendar days. The chief of the fire department shall arrange the schedule of working days to comply with the provisions of this section. The salary of the members of the fire department shall not be reduced by reason of the foregoing.

(4) In each city of the second class all employes of the fire department shall be given not less than two weeks leave of absence annually with full pay.

By Mr. Jones.

H. B. No. 59. AN ACT relating to the financial responsibility of owners and operators of motor vehicles.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act, unless the context otherwise requires:

(1) "Department" means the Department of Revenue.

(2) "Motor Vehicle" means any vehicle required to be registered under the provisions of KRS 186.020.

(3) "Express or implied consent" or "express or implied permission," as used with reference to the owner of a motor vehicle, means initial consent by the owner, or if he is a natural person, by an adult member of his immediate family, to the taking of possession of the motor vehicle for the purpose of use or operation, regardless of any limitations or restrictions attached to such consent or permission with respect to the manner, method, purposes, place or period of the use or operation.

Sec. 2. No motor vehicle, except one owned by the state or a political subdivision thereof, or by the Federal Government, shall be registered under the provisions of KRS Chapter 186 unless the application for registration is accompanied by a certificate of proof of the owner's ability to respond in damages as provided in this Act, nor shall any receipt showing transfer of registration on change of ownership of such a motor vehicle be issued under the provisions of KRS 186.190 unless the purchaser, at the time of applying for the transfer of registration, presents such a certificate of proof of his ability to respond in damages.

Sec. 3. Proof of ability to respond in damages as contemplated in Section 2 of this Act shall be proof of the owner's ability to respond in damages for liability thereafter incurred, arising out of the ownership, maintenance or use, by the owner or by any other person with his express or implied consent, of the motor vehicle sought to be registered, in the amount of five thousand dollars because of bodily injury to or death of any one person, and subject to said limit respecting one person, in the amount of ten thousand dollars because of bodily injury to or death of two or more persons in any one accident, and in the amount of one thousand dollars because of injury to or destruction of property in any one accident. Such proof in such amounts shall be furnished for each motor vehicle registered by any person.

Sec. 4. The certificate of proof of ability to respond in damages, required by Section 2 of this Act, may consist of any one of the following:

(1) A certificate of an insurance company authorized to do

business in this state, that it has issued to or for the benefit of the person named in the certificate a motor vehicle liability policy meeting the requirements of Section 5 and 6 of this Act which, at the date of the certificate, is in full force and effect and which, unless cancelled as provided in Section 10 of this Act, will continue in full force and effect during the ensuing registration year. The certificate shall designate, by explicit description or by other adequate reference, all motor vehicles to which the policy applies, and shall specify the name, address and business of the insured, the kind of insurance afforded by the policy, the premium charged for it, the policy period and the limits of liability. The certificate shall cover the motor vehicle sought to be registered, and may cover more than one or all of the motor vehicles owned by the insured. The certificate shall certify that the policy described in the certificate will not be cancelled except as provided in Section 10 of this Act, and that the policy complies with the requirements of this Act. The issuance of such a certificate shall be conclusive evidence that the policy described in the certificate conforms to all the requirements of this chapter.

(2) A certificate of the Department of Revenue that the person applying for registration of the motor vehicle has filed with the Department a bond meeting the requirements of Section 7 of this Act and covering the vehicle sought to be registered.

(3) A certificate of the Department of Revenue that the person applying for registration of the motor vehicle has deposited with the department money or securities meeting the requirements of Section 8 of this Act.

(4) In the case of a motor vehicle to be operated by a common carrier or contract carrier of passengers or property, or as a city bus or taxicab, a certificate of the Division of Motor Transportation that the person applying for registration has filed with the division a bond, insurance policy or deposit meeting the requirements of KRS 281.080, 281.230, or 281.460, as the case may be, and covering the vehicle sought to be registered.

(5) A certificate of the Department of Revenue that the person applying for registration of a motor vehicle has complied with the provisions of Section 17 of this Act with respect to self-insurance.

Sec. 5. (1) A motor vehicle liability policy, in order to

constitute proof of ability to respond in damages under the provisions of this Act, shall meet the following requirements:

(a) It shall specify the name, address and business, if any, of the insured, the coverage afforded by the policy, the premium charged, the policy period and the limits of liability. It shall designate by explicit description or appropriate reference all motor vehicles in respect to which coverage is granted.

(b) It shall insure the person named in it and any other person using or responsible for the use of the motor vehicle with the express or implied permission of the insured.

(c) It shall insure every such person on account of the maintenance, use or operation of the motor vehicle within the continental limits of the United States or Canada against loss from from the liability imposed by law arising from maintenance, use or operation, to the extent required by Section 3 of this Act, exclusive of interest and costs, with respect to each motor vehicle.

(d) It shall contain an agreement that the insurance is provided in accordance with the coverage defined in this Act respecting bodily injury, death or property damage, or both, and that it is subject to all the provisions of this Act.

(2) The policy may grant any lawful coverage in excess of or in addition to the coverage specified in this section, and contain any lawful agreements, provisions or stipulations consistent with this Act.

(3) No policy intended to be used as proof of ability to respond in damages shall be issued by any insurance company unless the form of the policy has been approved by the Division of Insurance, and no insurance company shall issue any certificate of the kind contemplated by subsection (1) of Section 4 of this Act unless the form of the policy described in the certificate has been approved by the Division of Insurance.

Sec. 6. (1) Every motor vehicle liability policy with respect to which the insurer has issued a certificate under the provisions of subsection (1) of Section 4 of this Act shall be subject to the following provisions, whether or not they are contained in the policy:

(a) The liability of the insurer shall become absolute whenever loss or damage covered by the policy occurs, and the

satisfaction by the insured of a final judgment for loss or damage shall not be a condition precedent to the right or obligation of the insurer to make payment on account of the loss or damage.

(b) The insurer may settle any claim covered by the policy, and if a settlement is made in good faith, the amount of it shall be deductible from the limits of ability specified in the policy.

(c) No policy shall be cancelled or annulled as respects any loss or damage by any agreement between the insurer and the insured after the insured has become responsible for the loss or damage, and any such cancellation or annulment shall be void.

(d) The policy, the written application, if any, and any rider or indorsement which does not conflict with this chapter shall constitute the entire agrement between the parties.

(2) The policy may provide that the insured, or any other person covered by the policy, shall reimburse the insurer for payment made on account of any loss or damage claim or suit involving a breach of the terms, provisions or conditions of the policy. If the policy provides for limits in excess of the limits specified in Section 2 of this Act, the insurer may plead against any plaintiff, with respect to the amount of such excess limits of liability, any defenses which it may be entitled to plead against the insured, and any such policy may further provide for the prorating of the insurance thereunder with other applicable valid and collectible insurance.

Sec. 7. (1) Any person desiring to furnish proof of ability to respond in damages by means of a bond shall file with the Department of Revenue a bond of a surety company authorized to transact business in this state, or a bond with at least two individual sureties, each of whom owns real estate within this state, and which real estate shall be scheduled in the bond. In the case of a bond with such individual sureties, the bond must be approved by the county judge or circuit judge of the county in which the real estate is located.

(2) Any bond filed pursuant to subsection (1) of this section shall be conditioned for payment within the limits specified in Section 3 of this Act, by the principal in the bond or by any person using or responsible for the use of the motor vehicle with the express or implied consent of the principal of any final judgment against such principal or other person on account of bodily

injury, death or property damage resulting from the maintenance, use or operation of the motor vehicle described in the bond.

(3) A bond with individual sureties filed pursuant to subsection (1) of this section shall constitute a lien in favor of the state upon the scheduled real estate of the sureties, and the lien shall exist in favor of any holder of a final judgment for damages against the principal in the bond or against any person using or responsible for the use of the motor vehicle described in this bonds with the express or implied consent of the principal, on account of bodily injury or death, or property damage, resulting from the maintenance, use or operation of the motor vehicle described in the bond. The lien shall run from the time of filing of notice to that effect by the department in the office of the county court clerk of the county in which the real estate is located. The county court clerk shall record such notice of lien in a book to be kept for that purpose, styled "Motor Vehicle Responsibility Liens." The clerk shall receive a fee of one dollar for recording each such notice of lien, to be paid by the person filing the bond.

Sec. 8. Any person desiring to furnish proof of ability to respond in damages by means of a deposit of money or securities shall deposit with the Department of Revenue the sum of ten thousand dollars in cash, or securities approved by the Commissioner of Revenues having a value of not less than ten thousand dollars, and at the same time shall execute a statement, upon a form prescribed by the department, to the effect that the deposit is made in accordance with and subject to the provision of this Act, and that the money or securities so deposited may be applied, within the limits specified in Section 3 of this Act, in payment of any final judgment for damages that may be rendered against such person, or against any other person using or responsible for the use of the motor vehicle described in such statement with the express or implied consent of the owner, on account of bodily injury or death, or property damage, resulting from the maintenance, use or operation of the motor vehicle described in the statement. The Department of Revenue shall issue a receipt for the money or securities so deposited, and shall deliver the money or securities to the State Treasurer to be held in a separate account for the purpose set forth in this Act. The department shall

not accept any deposit under this section unless it is accompanied by evidence that there are no unsatisfied judgments against the depositor of record in the office of the county court clerk or circuit court clerk of the county in which the depositor resides.

Sec. 9. (1) Upon the filing of a bond pursuant to Section 7 of this Act, or upon the making of a deposit pursuant to Section 8 of this Act, the Department of Revenue shall issue an appropriate certificate to the person filing the bond or making the deposit, for presentation to the county court clerk as provided in Section 4 of this Act.

(2) A bond, money or securities filed or deposited under the provisions of Section 7 or 8 of this Act shall be held by the Department of Revenue (or State Treasurer) to satisfy any execution issued against the person filing the bond or making the deposit, on a judgment for damages arising out of the ownership, maintenance, use or operation of the motor vehicle covered by the bond or deposit, or issued against any person using or responsible for the use of such motor vehicle with the express or implied consent of the owner of the vehicle, on a judgment for damages arising out of the maintenance, use or operations of the motor vehicle by such person. Money or securities so deposited and held shall not be subject to attachment or execution unless the attachment or execution arises out of such a suit for damages. If such a judgment rendered against a person covered by a bond filed under Section 7 of this Act is not satisfied within thirty days after it has become final, the judgment creditor may, for his own use and benefit and at his sole expense, bring an action in the name of the state against the sureties on the bond, including, in the case of a bond with individual sureties, an action to foreclose the lien upon the real estate scheduled in the bond.

Sec. 10. (1) No motor vehicle liability policy with respect to which the insurer has issued a certificate under the provisions of subsection (1) of Section 4 of this Act may be cancelled during the policy period, and no bond filed pursuant to Section 7 of this Act may be cancelled or withdrawn during the license year for which it was filed, except for one of the following causes:

(a) Any cause which would authorize or require the Department of Revenue to suspend or revoke the operator's license of the owner of the vehicle covered by the policy or bond.

(b) Entry of a civil judgment against the owner of the vehicle or against any other person covered by the policy or bond, for damages for bodily injury, death or property damage resulting from the use or operation of the motor vehicle covered by the policy.

(c) Violation by the insured of a lawful provision of the policy.

(d) A cause which, in the opinion of the Department of Revenue, constitutes an adequate reason for cancellation.

(2) Any insurer or surety desiring to cancel such a policy or bond shall give written notice to the Department of Revenue, stating a date, not sooner than ten days after the date on which such notice is given, as of which the cancellation is proposed to become effective. This notice shall be accompanied with a statement of the cause for which the cancellation is to be made. If the department is satisfied that the cause is a proper one, it shall forthwith suspend the registration certificate of the motor vehicle covered by the policy or bond, and the certificate shall remain suspended until the owner of the vehicle gives new proof of his ability to respond in damages in accordance with this Act. If the department is not satisfied that the cause is a proper one, it shall so notify the insurer or surety, and the cancellation shall not become effective. When a registration certificate is suspended under the provisions of this section, the department shall so notify the county clerk by whom the certificate was issued.

Sec. 11. Certificates presented to the county court clerk pursuant to Section 4 of this Act shall be filed by the clerk with the registration records of the persons by whom the certificates were presented, and shall be kept on file and not returned to the registrant. For his services under this section the county court clerk shall be entitled to a fee of fifty cents for each certificate filed by him, to be paid by the person presenting the certificate.

Sec. 12. No certificate of proof of ability to respond in damages shall be valid, for the purpose of authorizing registration or transfer of registration of a motor vehicle, for any registration year other than the registration year for which it was issued, which year shall be stated in the certificate. Where proof of ability to respond in damages has been made by the filing of a bond, the Department of Revenue may issue a certificate for a

subsequent registration year only upon the filing of a new bond meeting the requirements of this Act. Where proof of ability to respond in damages has been made by a deposit of money or securities, the Department of Revenue may issue a certificate for a subsequent registration year upon the same deposit, if the depositor executes a new statement, in accordance with the provisions of Section 8 of this Act, for such subsequent registration year, and presents satisfactory evidence that there is no claim outstanding against him, or against any person who has operated the motor vehicle with his express or implied consent, for damages arising out of the maintenance, use or operation of the motor vehicle covered by the deposit during the expiring or immediately expired registration year.

Sec. 13. Where, during any registration year, the person in whose name a motor vehicle has been registered sells or otherwise parts with ownership of the vehicle, and acquires another motor vehicle which he desires to register, the county court clerk may register the same upon presentation of satisfactory proof of the sale or other disposition of the original motor vehicle, and

(1) In a case where the certificate of ability to respond in damages covering the original vehicle was issued by an insurance company, presentation of a certificate from such company that it has issued an endorsement or rider to the original policy, covering the motor vehicle proposed to be registered; or

(2) In a case where the certificate of ability to respond in damages covering the original vehicle was issued by the Department of Revenue upon a bond filed with the department, presentation of a new certificate from the department certifying that the bond has been endorsed, by the principal and sureties, to cover the vehicle proposed to be registered; or

(3) In a case where the certificate of ability to respond in damages covering the original vehicle was issued by the Department of Revenue upon a deposit of money or securities, presentation of a new certificate from the department certifying that the depositor has executed an amended statement covering the vehicle proposed to be registered; or

(4) In any case, presentation of a new certificate of proof of ability to respond in damages meeting the requirements of this Act.

Sec. 14. Money or securities deposited pursuant to Section 8 of this Act may be returned to the person entitled thereto, upon the furnishing of satisfactory evidence that there is no claim outstanding against the depositor, or against any person who has operated the motor vehicle with his express or implied consent, for damages arising out of the maintenance, use or operation of the motor vehicle covered by the deposit during the registration period covered by the deposit, in any of the following events:

(1) The death of the depositor.

(2) Presentation of proof that the depositor has sold or otherwise disposed of the vehicle covered by the deposit.

(3) Presentation of proof that the depositor has furnished another form of proof of ability to respond in damages, meeting the requirements of this Act, covering the same vehicle.

(4) Surrender of the registration certificate for the vehicle covered by the deposit.

(5) The expiration of the registration year for which the deposit was made.

Sec. 15. Any person whose registration certificate has been suspended under the provisions of Section 10 of this Act shall, upon request of the Department of Revenue, immediately return to the department the registration certificate and the number plates. If any person willfully fails to return to the department such certificate and plates, the department shall forthwith direct any peace officer to secure possession and return them to the department.

Sec. 16. An insurance company which has issued a motor vehicle liability policy meeting the requirements of this Act shall, upon request of the insured and without charge, deliver to the insured a certificate that complies with subsection (1) of Section 4 of this Act, but not more than one such certificate shall be issued for any policy, except as provided in subsection (1) of Section 13 of this Act.

Sec. 17. (1) Any person in whose name more than twenty-five motor vehicles are registered may qualify as a self-insurer by obtaining a certificate of self-insurance issued by the department as provided in subsection (2) of this section.

(2) The department may, in its discretion, upon the application of such a person, issue a certificate of self-insurance when it is satisfied that such person is possessed and will continue to be possessed of ability to pay judgments obtained against such person.

(3) Upon not less than five days' notice and a hearing pursuant to such notice, the department may upon reasonable grounds cancel a certificate of self-insurance. Failure to pay any judgment within thirty days after such judgment shall have become final shall constitute a reasonable ground for the cancellation of a certificate of self-insurance.

Sec. 18. No person shall forge, or sign without authority, any evidence of ability to respond in damages required by this Act.

Sec. 19. The Department of Revenue shall make rules and regulations necessary for the enforcement and administration of this Act.

Sec. 20. This Act shall not prevent a plaintiff from relying for relief upon the other processes provided by law.

Sec. 21. Any person who violates any of the provisions of this Act shall be fined not less than one hundred dollars nor more than one thousand dollars, or imprisoned for not more than ninety days, or both.

Sec. 22. Sections 187.290 to 187.990 of the Kentucky Revised Statutes are repealed.

Sec. 23. Any sums appropriated to the Department of Revenue for administration and enforcement of the provisions of KRS 187.290 to 187.990 shall be available to the department for the administration and enforcement of this Act.

By Messrs. Shannon, Wirsch, Jonas, Ruh and Weintraub.

H. B. No. 60. AN ACT relating to the Teachers' retirement system; providing for membership and eligibility to membership in the retirement system of certain noninstructional, noncertificated employes of county and independent school districts; and providing the terms and conditions of such membership.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

As used in this Act, "noninstructional employes' " means full time employes serving in the capacity of business manager, bookkeeper, stenographer, clerk, building engineer, janitor, fireman, cleaner, carpenter or other maintenance man, bus driver, mechanic, or lunchroom or school cafeteria worker.

Noninstructional employes of county and independent school districts in employment on the effective date of this Act shall be eligible to membership in the teachers' retirement system of Kentucky with the following options as to said membership:

(1) Any such employe may individually decline membership and waive all obligations and rights under KRS 161.220 to 161.710, by acknowledgement on a proper form provided by the board of trustees of the system.

(2) Any such employe may come into membership with the same status as a teacher entering service on July 1, 1948.

(3) Any such employe may make the retirement contribution provided by law for any year or years subsequent to July 1, 1940, served in the school system in which he is employed on the effective date of this Act, and in addition thereto an actuarial adjustment of three per cent compound interest, and receive service credit as if payment had been made currently during such years of service. Employes taking this option shall be entitled to prior service credit as defined in KRS 161.220 (7). A true record of all such service shall be filed in the office of the board of trustees of the retirement system.

The options provided for in Section 2 of this Act must be exercised in writing prior to September 1, 1948. If no option is exercised on the part of any such employe, his status shall be that of option (2), and membership in the retirement system shall be required as a condition of employment.

Membership in the teachers' retirement system shall be compulsory as a condition of employment for all noninstructional employes of county and independent school districts entering

employment after the effective date of this Act, and such employes shall occupy the same status as new teachers.

By Mr. Beatty.

H. Res. No. 9. A RESOLUTION appropriating from the General Fund the sum of One Hundred and Twenty-seven Dollars and Fifty Cents ($127.50) to pay a claim for services rendered by F. J. Alsop of Hawesville, Kentucky, in making a survey of abandoned coal mines in Hancock County.

Said resolution is as follows, viz:

WHEREAS, F. J. Alsop has never been paid for his services in completing a survey of abandoned coal mines in Hancock County in February, 1934, which survey was made for a mine-sealing project for the State Department of Health of Kentucky.

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

There is hereby appropriated from the General Fund of the Commonwealth, the sum of One Hundred and Twenty-seven Dollars and Fifty Cents ($127.50), and the Department of Finance shall draw its warrant upon the Treasurer for that amount in favor of F. J. Alsop.

Ordered that said bills and said resolution be printed and referred.

Mr. Preston of the Committee hertofore appointed by the Speaker to arrange for committee rooms during this 1950 Regular Session reported as follows, viz:

COMMITTEE ON COMMITTEE ROOMS

COMMITTEE ROOM	3rd Floor
No. 1	Speaker's Retiring Office
No. 2	Legislative Research Room
No. 3	Judge Clyde B. Latimer's office
	1st Floor

No. 4 Office of the Commissioner of Agriculture (east end)

No. 5 Adjutant General's Office—Near west end

Leonard W. Preston, Chairman
J. D. Buckman, Jr.
Homer E. Losey

Mr. Beatty moved that the rules be suspended for the purpose of introducing a bill.

Said motion was agreed to by a majority of the members elected.

Thereupon, a bill of the following title was introduced, viz:

By Mr. Beatty.

H. B. No. 61. AN ACT relating to compensation of commissioners serving on fiscal courts in counties having a fiscal court composed of the county judge and three commissioners.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (1) of Section 67.110 of the Kentucky Revised Statutes is amended to read as follows:

(1) In counties having a fiscal court composed of the county judge and three commissioners, each commissioner serving on the fiscal court may be paid out of the county treasurer the following compensation for his services:

(a) In counties containing a city of the first or second class, a salary of three thousand dollars per annum, payable monthly.

(b) In counties containing a city of the third, fourth or fifth class, a salary of not more than one thousand, eight hundred dollars per annum, payable monthly.

(c) In other counties, the same compensation per day as justices of the peace receive under subsections (2) and (3) of this section.

Ordered that said bill be printed and referred.

CALENDAR

The House took up for consideration from the Calendar a bill of the following title, viz:

H. B. No. 14. AN ACT relating to appropriations for the operation, maintenance, support and functioning of the Government of the Commonwealth of Kentucky and its various offices, departments, boards, commissions, institutions, subdivisions, agencies and other State supported activities, and declaring an emergency to exist.

Ordered that said bill be read at length the second time.

Mr. Runyan moved that the Constitutional provision as to the second reading at length of said bill be dispensed with, and same be read for the second time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said bill having been dispensed with, said bill was read for the second time by its title only and

Ordered placed in the Orders of the Day.

The House then took up for consideration from the Calendar a resolution of the following title, viz:

H. Res. No. 3. A JOINT RESOLUTION providing for an inquiry into and investigation of the affairs, activities and management of the Kentucky Department of Aeronautics; providing for a committee to make such injuiry and investigation and prescribing its powers and duties; providing for the appropriation and disposition of funds for such committee, and declaring an emergency.

Ordered that said resolution be read at length the second time.

Mr. Hubbard moved that the Constitutional provision as to the second reading at length of said resolution be dispensed with, and same be read for the second time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said resolution having been dispensed with, said resolution was read for the second time by its title only and

Ordered placed in the Orders of the Day.

The Speaker announced that he had referred bills heretofore introduced as follows, viz:

H. B. No. 15—Committee on Agriculture No. 1

H. B. No. 16—Committee on Agriculture No. 1

H. B. No. 35—Committee on Agriculture No. 1

H. B. No. 39—Committee on Agriculture No. 1

H. B. No. 40—Committee on Agriculture No. 1

H. B. No. 41—Committee on Agriculture No. 1

Mr. Hanratty moved that the House do now adjourn to meet again at 9:30 o'clock, a.m., Friday, January 13, 1950.

Said motion was agreed to.

And then the House adjourned.

FRIDAY, JANUARY 13, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by Father Joseph A. O'Dwyer, Church of the Good Shepherd, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams
*Bill Adams
Edgar Arnett
Sidney Baer
Walter J. Bailey
Clarence J. Barnum
C. E. Baumgardner
Leonard T. Bean
*John D. Beatty
Fred Beshear
*R. O. Blevins
L. E. Bradley
Edw. O. Bridgers
*Thomas L. Britton
Charles J. Bronston
J. D. Buckman, Jr.
Mrs. Mary Burnett
Charles W. Burnley
Alex Calvert
Stanley Carter
Paul Combs
Josh R. Cosby
*B. H. Crider
Owen Deering
G. I. Drury
Thomas R. Duncan
*R. C. Estepp, Sr.
Mitchell S. Fannin
Henry C. Hale
*C. A. Hammons
James P. Hanratty
George F. Harris
Paul E. Hayes
John A. Head
William K. Henry
E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
Richard R. Houpt
*D. W. Howard
*M. G. Howard
Robert N. Hubbard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
*James W. Lambert
*Jesse H. Lawrence
Mrs. J. T. Linton
*Homer E. Losey
A. L. (Chick) Love
Harry K. Lowman
True Mackey
Damon Majors
*John Martin
*Wm. T. Marshall
Jack McPherron
*Alton Mitchell
Archie R. Moore
*Emmett G. Moore
Walter R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
Jas. H. Polsgrove
Leonard W. Preston
*Hobart Rayburn
W. R. Reasor
Carl J. Ruh
Amos Runyan
Dr. Roy Sanders
*LeRoy Saylor
Roy Searcy
Paul E. Shannon
*James S. Shaw
Gus Sheehan,, Jr.
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spalding
J. Claude Stacy
Roy Steers
Raymond D. Stigall
Mrs. Thelma Stovall
W. R. Stringer
*Egbert V. Taylor.
M. G. Thompson
Rev. T. Herbert Tinsley
Ralph N. Walter
*Fred M. Warns
Harry L. Waterfield
*Lyle H. Webb
Morris Weintraub
Geo. F. Williamson
*Charles W. Wirsch
Adron Doran, Speaker
*Republicans

Mr. Hanratty moved that the reading of the Journal of the proceedings of Thursday, January 12, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Hanratty moved that the rules be suspended and the House do now proceed to the Orders of the Day.

Said motion was agreed to by a majority of the members elected.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 14. AN ACT relating to appropriations for the operation, maintenance, support and functioning of the Government of the Commonwealth of Kentucky and its various offices, departments, boards, commissions, institutions, subdivisions, agencies and other State supported activities, and declaring an emergency to exist.

Mr. Preston moved that consideration of said bill be made a Special Orders of the Day for the hour of 2 o'clock, p.m., Tuesday, January 17, 1950.

Mr. Hanratty moved that debate on said motion be limited to fifteen minutes.

Said motion was agreed to.

Said motion made by Mr. Preston was then disagreed to.

The yeas and nays being required thereon by Mr. Preston and Mr. Losey were as follows,

Those voting in the affirmative were:

*John D. Beatty	*Homer E. Losey	*LeRoy Saylor
*R. O. Blevins	*John Martin	Roy Searcy
Stanley Carter	*Wm. T. Marshall	Roy Steers
*B. H. Crider	Jack McPherron	Harry Lee Waterfield
Henry C. Hale	*Alton Mitchell	
*C. A. Hammons	*Emmett G. Moore	*Lyle H. Webb
Paul E. Hayes	Dr. C. E. Palmore	Morris Weintraub
Durham W. Howard	Leonard W. Preston	*Chas. W. Wirsch
Maurice G. Howard	Amos Runyan	

—25

Those voting in the negative were:

Bernam Adams	George F. Harris	James H. Polsgrove
Edgar Arnett	William K. Henry	*Hobart Rayburn
Sidney Baer	Ray Holbrook	W. R. Reasor
Walter J. Bailey	Woodrow W. Hollan	Carl J. Ruh
Clarence J. Barnum	Chester J. Holsclaw	Paul E. Shannon
C. E. Baumgardner	W. M. Horn, Jr.	Gus Sheehan, Jr.
Leonard T. Bean	Richard R. Houpt	Jesse H. Shelton
Fred Beshear	Robert N. Hubbard	Forest Smith
L. E. Bradley	Silas Jacobs	Joseph T. Snapp
Edw. O. Bridgers	Paul S. Jonas	J. Claude Stacy
Chas. J. Bronston	Barkley Jones	Raymond D. Stigall
J. D. Buckman, Jr.	William Jones	Mrs. Thelma Stovall
Mrs. Mary Burnett	*Jesse H. Lawrence	W. R. Stringer
Alex Calvert	Mrs. J. T. Linton	*Egbert V. Taylor
Paul Combs	A. L. (Chick) Love	M. G. Thompson
Josh R. Cosby	Harry King Lowman	Rev. T. Herbert Tinsley
Owen Deering	True Mackey	
G. I. Drury	Damon Majors	Ralph N. Walter
Thos. R. Duncan	Archie R. Moore	*Fred M. Warns
*R. C. Estepp, Sr.	Walter R. Moorman	G. F. Williamson
Mitchell S. Fannin	Fred H. Morgan	*Republicans
James P. Hanratty	C. S. Nabb	—63

Mr. Saylor moved that the House do now recess for fifteen minutes.

Mr. Waterfield rose to a point of information as to whether or not a motion for recess was a privileged motion.

The speaker stated that a motion for a recess was a privileged motion.

Said motion was agreed to.

And then the House recessed.

Fifteen minutes having expired, the Speaker resumed the Chair and called the House to order.

The House resumed consideration of a bill of the following title, viz:

H. B. No. 14. (For title see H. J. of today ante.)

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART ONE

There is hereby appropriated out of the General Expenditure Fund for the fiscal year beginning July 1, 1950 and ending June 30, 1951, and for the fiscal year beginning July 1, 1951, and ending June 30, 1952, the following sums for the following offices, departments, boards, commissions, institutions, and subdivisions of the State Government, and any and all other agencies of the State Government of the Commonwealth of Kentucky subject to the provisions of Chapter 12, 42 and 45 of the Kentucky Revised Statutes, for which the specific appropriation is herein listed, excepting those listed in Parts Two, Three and Four of this Budget Act, for the following purposes:

I. GENERAL GOVERNMENT

1. LEGISLATIVE

A. *Legislative Sessions.*

1951-52 ----------$250,000

B. *Legislative Research Commission.* Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ----------$67,500
1951-52 ----------$75,000

C. *Legislative Journals and Acts.* For preparing, indexing, editing and printing the Journals and Acts of the General Assembly,

1950-51 ----------$33,000
1951-52 ----------$ 3,000

D. *The Council of State Governments.* For aiding in the defraying of expenses of this Agency,

1950-51 ----------$7,500
1951-52 ----------$7,500

TOTAL—LEGISLATIVE
1950-51 ..... $108,000
1951-52 ..... $335,500

2. LIEUTENANT-GOVERNOR

A. *Lieutenant-Governor.*
1950-51 ..... $2,400
1951-52 ..... $2,400

3. JUDICIARY AND COURT COSTS

A. *Court of Appeals.*
1950-51 ..... $65,000
1951-52 ..... $65,000

B. *Clerk of Court of Appeals.*
1950-51 ..... $23,000
1951-52 ..... $23,000

C. *Judicial Council.*
1950-51 ..... $1,050
1951-52 ..... $1,050

D. *Clerks' Services, Criminal Prosecution, Jury Commissioners, Trustees of Jury Fund (Circuit Clerks), and Commissions on Fines and Forfeitures.* For expenses of operation of the laws applicable to Clerks' Services, Criminal Prosecutions, Jury Commissioners, Trustees of Jury Fund (Circuit Clerks), and Commissions on Fines and Forfeitures,
1950-51 ..... $1,619,000
1951-52 ..... $1,619,000

E. *Salaries—Judges and Commonwealth's Attorneys.* For payment of salaries of Judges and Commonwealth's Attorneys,
1950-51 ..... $317,500
1951-52 ..... $317,500

F. *Sheriffs' Advances.* To be advanced to sheriffs for expenses in accordance with the provisions of KRS 64.140,
1950-51 ..... $76,200
1951-52 ..... $76,200

G. *Return of Fugitives from Justice.* For expenses incurred by returning fugitives from justice when authorized by the Governor,
1950-51 ..... $10,000
1951-52 ..... $10,000

H. *County Highway Patrol.* For the purpose of paying sheriffs of the various counties for performing duties as required by law,

1950-51 ---------- $135,000
1951-52 ---------- $135,000

I. *Board of Bar Examiners.*

1950-51 ---------- $3,000
1951-52 ---------- $3,000

TOTAL—JUDICIARY AND COURT COSTS

1950-51 ---------- $2,249,750
1951-52 ---------- $2,249,750

4. EXECUTIVE DEPARTMENT

A. *Governor's Office.* For expenses, including the Executive Cabinet,

1950-51 ---------- $44,900
1951-52 ---------- $44,900

B. *Contingent Fund.* For contingent expenses,

1950-51 ---------- $10,000
1951-52 ---------- $10,000

C. *General Emergency Fund.* For meeting expenses deemed emergencies by the Governor, and to be expended by the Governor in his discretion for any emergency that he may determine requires the expenditure of any part of said fund,

1950-51 ---------- $500,000
1951-52 ---------- $500,000

D. *Capital Outlay — Mansion.* For furniture and other capital outlay expenses of the Executive Mansion,

1950-51 ---------- $5,000
1951-52 ---------- $5,000

TOTAL—EXECUTIVE DEPARTMENT

1950-51 ---------- $559,900
1951-52 ---------- $559,900

5. SECRETARY OF STATE

A. *Secretary of State.* For expenses including Land Office, Absentee Voting, Process Agent, and Corporations,

1950-51 ---------- $45,000
1951-52 ---------- $45,000

6. DEPARTMENT OF LAW

A. *Attorney-General.* For expenses, including Cost of Suits,
1950-51 ----------$66,000
1951-52 ----------$68,000

7. STATUTE REVISION COMMISSION

A. *Statute Revision Commission.*
1950-51 ----------$38,000
1951-52 ----------$20,000

8. DEPARTMENT OF TREASURY

A. *State Treasurer.*
1950-51 ----------$48,000
1951-52 ----------$49,000

9. AUDITOR OF PUBLIC ACCOUNTS

A. *Auditor of Public Accounts.* For expenses of auditing for the benefit of the State, including all State Agencies and County Officials receiving or disbursing public monies belonging to the State,
1950-51 ----------$47,500
1951-52 ----------$47,500

10. DEPARTMENT OF FINANCE

A. *Commissioner of Finance.* For expenses of the various divisions within the Department, including the administration of Confederate Pensions, and the administration of Public Printing,
1950-51 ----------$258,250
1951-52 ----------$264,250

B. *Public Properties.* For custodial care of public properties and expenses,
1950-51 ----------$200,000
1951-52 ----------$200,000

C. *Public Record Books.* (Paper and Printing.) For expenses necessary in the purchase and replacement of Public Record Books as provided in KRS 28.130,
1950-51 ----------$33,000

D. *Paper for Election Ballots and General Assembly.* For expenses in furnishing paper for ballots for State elections and for the General Assembly, as required by law,
1950-51 ----------$20,000
1951-52 ----------$ 5,000

E. *Confederate Pensions.* For the payment of Confederate Pensions heretofore allowed by law,

1950-51 ---------- $35,000
1951-52 ---------- $30,000

TOTAL–DEPARTMENT OF FINANCE
1950-51 ---------- $546,250
1951-52 ---------- $499,250

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11. DEPARTMENT OF REVENUE

A. *Commissioner of Revenue.* For expenses of the Department and various divisions thereof,

1950-51 ---------- $728,000
1951-52 ---------- $728,000

B. *Reappraisals.* For expenses of reappraisals as contemplated by KRS 132.670,

1950-51 ---------- $150,000
1951-52 ---------- $150,000

C. *County Tax Commissioners.*

1950-51 ---------- $850,000
1951-52 ---------- $850,000

D. *County Boards of Supervisors.*

1950-51 ---------- $30,000
1951-52 ---------- $30,000

TOTAL–DEPARTMENT OF REVENUE
1950-51 ---------- $1,758,000
1951-52 ---------- $1,758,000

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12. ELECTIONS

A. *Board of Election Commissioners.*

1950-51 ---------- $2,000
1951-52 ---------- $2,000

B. *Board of Registration and Purgation.*

1950-51 ---------- $1,000
1951-52 ---------- $1,000

C. *County Elections (State Share).*

1950-51 ---------- $170,000
1951-52 ---------- $170,000

TOTAL—ELECTIONS
1950-51 ..... $173,000
1951-52 ..... $173,000

13. DEPARTMENT OF MILITARY AFFAIRS

A. *Adjutant General.*
1950-51 ..... $26,500
1951-52 ..... $26,500

B. *Divisions of Armories.*
1950-51 ..... $100,000
1951-52 ..... $100,000

C. *Armories—Rental.* For expenses of rental of armories,
1950-51 ..... $100,000
1951-52 ..... $100,000

D. *Kentucky National Guard.*
1950-51 ..... $35,000
1951-52 ..... $35,000

TOTAL—DEPARTMENT OF MILITARY AFFAIRS
1950-51 ..... $261,500
1951-52 ..... $261,500

14. KENTUCKY DISABLED EX-SERVICE MEN'S BOARD

A. *Kentucky Disabled Ex-Service Men's Board.*
1950-51 ..... $90,000
1951-52 ..... $92,700

15. DEPARTMENT OF AERONAUTICS

A. *Commissioner of Aeronautics.* For expenses of the Department and the various divisions thereof,
1950-51 ..... $55,000
1951-52 ..... $55,000

16. DEPARTMENT OF STATE POLICE

A. *Commissioner of State Police.* For expenses of the Department and the various divisions thereof,
1950-51 ..... $200,400
1951-52 ..... $228,790

17. AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD

A. *Agricultural and Industrial Development Board.* For

expenses of the Board and the various divisions thereof, with the provision that any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ---------- $125,000
1951-52 ---------- $125,000

18. DEPARTMENT OF LIBRARY AND ARCHIVES

A. *Law Librarian.*

1950-51 ---------- $12,000
1951-52 ---------- $12,000

B. *State Librarian.* For salary of State Librarian,

1950-51 ---------- $3,000
1951-52 ---------- $3,000

C. *Law Library Books.* For expenses as provided for under KRS 171.110,

1950-51 ---------- $5,000
1951-52 ---------- $5,000

D. *Library Sales Account — Kentucky Reports.* For expenses of paying the costs of publishing the Kentucky reports and pamphlets of opinions of the Court of Appeals,

1950-51 ---------- $15,000
1951-52 ---------- $15,000

E. *Distribution and Repair of Books.*

1950-51 ---------- $1,000
1951-52 ---------- $1,000

F. *Division of Library Extension.*

1950-51 ---------- $27,500
1951-52 ---------- $27,500

G. *Kentucky State Historical Society.*

1950-51 ---------- $25,500
1951-52 ---------- $25,500

TOTAL — DEPARTMENT OF LIBRARY AND ARCHIVES

1950-51 ---------- $89,000
1951-52 ---------- $89,000

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19. DEPARTMENT OF BUSINESS REGULATIONS

A. *Division of Athletic Control.*

1950-51 ---------- $4,000
1951-52 ---------- $4,000

B. *Division of Insurance.*
1950-51 ..... $75,000
1951-52 ..... $75,000

C. *Division of Securities.*
1950-51 ..... $9,000
1951-52 ..... $9,000

TOTAL—DEPARTMENT OF BUSINESS REGULATIONS
1950-51 ..... $88,000
1951-52 ..... $88,000

20. DEPARTMENT OF INDUSTRIAL RELATIONS

A. *Office of Commissioner.*
1950-51 ..... $17,000
1951-52 ..... $17,000

B. *Division of Wages and Hours for Women and Minors.* For expenses, including labor and statistics generally and inspection services,
1950-51 ..... $73,000
1951-52 ..... $73,000

TOTAL—DEPARTMENT OF INDUSTRIAL RELATIONS
1950-51 ..... $90,000
1951-52 ..... $90,000

21. DEPARTMENT OF MINES AND MINERALS

A. *Department of Mines and Minerals.* For expenses of the Department including the divisions thereof,
1950-51 ..... $240,000
1951-52 ..... $240,000

22. RAILROAD COMMISSION

A. *Railroad Commission.*
1950-51 ..... $20,000
1951-52 ..... $20,000

B. *Assistant Attorney-General for Railroad Commission.*
1950-51 ..... $8,000
1951-52 ..... $8,000

TOTAL—RAILROAD COMMISSION

1950-51 ..... $28,000
1951-52 ..... $28,000

23. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

A. *Office of Commissioner.* For expenses of the Department including the divisions thereof,

1950-51 ..... $185,000
1951-52 ..... $185,000

24. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

A. *Money Refunded.* For refunding money paid to the State Treasurer, which may be later determined not to be a lawful collection by the State. No money shall be refunded, however, after it has been paid into the State Treasury except by authority of a Court Order or a written opinion from the Attorney-General and approved by the Commissioner of Finance,

1950-51 ..... $2,800
1951-52 ..... $2,800

B. *Bonds of Elective Officers.* For payment of premiums on bonds of elected State Officials who are required by law to execute bonds to the Commonwealth of Kentucky, the payment of which is incumbent upon the State,

1950-51 ..... $1,300
1951-52 ..... $1,300

C. *Judgments.* For the payment of such judgments as may be rendered against the Commonwealth by order of Court and approved by the Attorney-General,

1950-51 ..... $19,000
1951-52 ..... $19,000

D. *Interest on Land Grant Bonds.* For payment of interest semi-annually on A. & M. bonds as provided by KRS 164.520,

1950-51 ..... $9,900
1951-52 ..... $9,900

E. *Frankfort Cemetery.* For the purpose of assisting in the care of graves in the Frankfort Cemetery to be paid to persons authorized by law to receive same,

1950-51 ..... $250
1951-52 ..... $250

F. *Statutes and Codes for Courts.* For paying for replacements and purchases of statutes and codes for the Courts as provided in KRS 57.340,

1950-51 ---------- $3,000
1951-52 ---------- $ 800

G. *Kentucky Directory.*

1950-51 ---------- $1,100

H. *Interstate Oil Compact.* For aiding in the defraying of expenses of this agency,

1950-51 ---------- $1,000
1951-52 ---------- $1,000

I. *Premiums on Sheriffs' Bonds.* For payments of Premiums on Sheriffs' Bonds as provided by KRS 62.155,

1950-51 ---------- $15,000
1951-52 ---------- $15,000

TOTAL—APPROPRIATIONS NOT OTHERWISE CLASSIFIED

1950-51 ---------- $53,350
1951-52 ---------- $50,050

TOTAL—I. GENERAL GOVERNMENT

1950-51 ---------- $7,147,050
1951-52 ---------- $7,340,340

II. WELFARE

25. DEPARTMENT OF WELFARE

A. *Office of Commissioner.* For expense of the administration of the Department of Welfare,

1950-51 ---------- $20,500
1951-52 ---------- $20,500

B. *Division of Fiscal Control.*

1950-51 ---------- $75,000
1951-52 ---------- $75,000

C. *Division of Mental Hygiene.* For administrative expenses,

1950-51 ---------- $30,000
1951-52 ---------- $30,000

D. *Mental Hospitals.* For expenses of the Mental Institutions; Eastern State Hospital, Central State Hospital, Western

State Hospital, Kentucky State Hospital, and The Kentucky Training Home,

1950-51 ---------- $3,800,000
1951-52 ---------- $3,800,000

E. *Division of Corrections.* For administrative expenses.

1950-51 ---------- $15,000
1951-52 ---------- $15,000

F. *Penal Institutions.* For expenses of the Penal Institutions; Houses of Reform, State Reformatory, State Penitentiary and the Women's Prison.

1950-51 ---------- $1,386,500
1951-52 ---------- $1,386,500

G. *Division of Probation and Parole.* For administrative expenses,

1950-51 ---------- $165,000
1951-52 ---------- $165,000

H. *Kentucky Children's Home.*

1950-51 ---------- $170,000
1951-52 ---------- $170,000

I. *Home for Incurables.*

1950-51 ---------- $15,000
1951-52 ---------- $15,000

J. *Conveyance of Lunatics.*

1950-51 ---------- $8,000
1951-52 ---------- $8,000

K. *Pauper Idiots.*

1950-51 ---------- $65,000
1951-52 ---------- $65,000

L. *Agricultural Production.*

1950-51 ---------- $250,000
1951-52 ---------- $250,000

TOTAL—DEPARTMENT OF WELFARE

1950-51 ---------- $6,000,000
1951-52 ---------- $6,000,000

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26. DEPARTMENT OF ECONOMIC SECURITY

For ordinary expenses of operation and cooperation (matching of funds) with the Federal Government under the

Social Security Act of August 14, 1935, and any amendments now in effect of hereinafter enacted and under any act of Congress supplementing said Act as amended, including adjustments of prior year or current year accounts necessary to comply with the Federal regulations. Also for the administration of Old Age Assistance, Aid to Dependent Children, and Aid to the Needy Blind, including cost to the State Treasurer for preparing, printing and issuing checks for recipients of Public Assistance Programs. Also, for administration, services, and benefits of the Child Welfare Program.

A. *Public Assistance—Administration.*

1950-51 ---------- $775,000
1951-52 ---------- $775,000

B. *Public Assistance—Benefits.* Old Age, Assistance Payments, Aid to the Needy Blind, and Aid to Dependent Children, and not to be used for cost of adimnistration. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ---------- $8,285,000
1951-52 ---------- $8,285,000

C. *Child Welfare—Administration and Services.*

1950-51 ---------- $127,500
1951-52 ---------- $127,500

D. *Child Welfare—Benefits.* For boarding home care and other benefit expenses, and not to be used for cost of administration. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ---------- $112,500
1951-52 ---------- $112,500

TOTAL — DEPARTMENT OF ECONOMIC SECURITY

1950-51 ---------- $9,300,000
1951-52 ---------- $9,300,000

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27. DEPARTMENT OF HEALTH

A. *Department of Health.* For expenses of the Department and the divisons thereof, including laboratory service,

1950-51 ---------- $350,000
1951-52 ---------- $375,000

B. *County Health Units and Departments.* For expenses including visiting Nurse Service,

1950-51 ---------- $600,000
1951-52 ---------- $625,000

C. *Heart Disease.*

1950-51 ---------- $26,000
1951-52 ---------- $26,000

D. *Colored Red Cross Hospital.*

1950-51 ---------- $30,000
1951-52 ---------- $30,000

E. *Kentucky Division of Women's Field Army of American Society for Control of Cancer.* For expenses and for educational purposes in connection with control of cancer, for care of indigent cancer patients, and for control of cancer under supervision of State Board of Health,

1950-51 ---------- $35,000
1951-52 ---------- $35,000

F. *Kentucky Crippled Children's Commission.*

1950-51 ---------- $200,000
1951-52 ---------- $200,000

G. *Medical Research Commission.*

1950-51 ---------- $125,000
1951-52 ---------- $125,000

H. *Julius Marks Sanatorium.* Reimbursements to be made in accordance with the formula established by KRS 215.320, but the total reimbursement shall not exceed the amount of this appropriation,

1950-51 ---------- $22,500
1951-52 ---------- $22,500

I. *Covington, Kenton County Tuberculosis Sanatorium.* Reimbursement to be made in accordance with the formula established by KRS 215.320, but the total reimbursement shall not exceed the amount of this appropriation,

1950-51 ---------- $15,000
1951-52 ---------- $17,500

J. *Warren County Tuberculosis Sanatorium.* Reimbursement to be made in accordance with the formula estab-

lished by KRS 215.320, but the total reimbursement shall not exceed the amount of this appropriation,

1950-51 ---------- $12,000
1951-52 ---------- $12,000

TOTAL—DEPARTMENT OF HEALTH
1950-51 ---------- $1,415,500
1951-52 ---------- $1,468,000

28. TUBERCULOSIS SANATORIA COMMISSION

A. *Tuberculosis Sanatoria Commission.* For administrative expenses. Also for operating expenses of the tuberculosis sanatoria at Madisonville, Hazelwood (including interest on Hazelwood Sanatorium bonds and Sinking Fund requirements), Paris, Ashland, London and Glasgow, any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ---------- $1,350,000
1951-52 ---------- $1,350,000

TOTAL—II. WELFARE
1950-51 ---------- $18,065,500
1951-52 ---------- $18,118,000

III. EDUCATION

29. DEPARTMENT OF EDUCATION

A. *Superintendent of Public Instruction.* For expenses of the Superintendent including the divisons thereof and teacher training and Certification, State Board of Education, and State Textbook Commission,

1950-51 ---------- $195,000
1951-52 ---------- $195,000

B. *Public School Lunch Program.* For expenses, to be administered by the Superintendent of Public Instruction,

1950-51 ---------- $40,000
1951-52 ---------- $40,000

C. *Common School Per Capita Fund.* For the payment and increase of the monthly salaries of teachers and for no other purposes,

1950-51 ---------- $20,070,000
1951-52 ---------- $20,070,000

The State Board of Education shall not approve any working budget or salary schedule for a local board of education for the school years 1950-51 and 1951-52 in which the total amount budgeted for teachers' salaries in the school year 1949-50 is not increased by the minimum additional amount of per capita revenue apportioned to that district, over that received in the school year 1949-50, except where there is a decline in local revenue of that district after the district has levied the maximum ad valorem tax rate permitted by law. Any such reduction permitted shall be only for the amount of the decline in local revenue.

In the event any local board of education claims there is a decline in local revenue in that district, the State Board of Education shall certify such claim to the Department of Revenue whose duty it shall be to determine whether or not there is a decline in local revenue of such district and if so, the amount of such decline in local revenue, the Department of Revenue shall make its certification to the State Board of Education and said Board shall accept said certification as final.

The above amount includes $138,937.63 for each fiscal year which is interest on State School Bonds, as provided by the State Constitution, for the support of common schools.

D. *Equalization Fund.* For equalization of educational services in the common schools to be expended as provided by law and regulations of the State Board of Education,

1950-51 ----------$2,230,000
1951-52 ----------$2,230,000

E. *Free Textbooks.* For the purchase of Textbooks as provided for in KRS 157.100 and 157.190. An amount not exceeding $17,500 of this appropriation may be used each fiscal year for administration,

1950-51 ----------$735,000
1951-52 ----------$735,000

F. *Vocational Education—Administration.* For expenses of operation, administration and supervision,

1950-51 ----------$45,000
1951-52 ----------$45,000

G. *Vocational Education—Instruction.* For reimbursement of teacher training and special instructors,

1950-51 ----------$45,000
1951-52 ----------$45,000

H. *Vocational Education—Local School Districts.* For reimbursements of local school districts,

1950-51 ----------$210,000
1951-52 ----------$210,000

I. *West Kentucky Vocational Training School for Negroes.*

1950-51 ----------$85,000
1951-52 ----------$85,000

J. *Mayo State Vocational School.*

1950-51 ----------$75,000
1951-52 ----------$90,000

K. *Northern Kentucky Vocational Training School.*

1950-51 ----------$25,000
1951-52 ----------$25,000

L. *Lincoln Institute.*

1950-51 ----------$100,000
1951-52 ----------$115,000

M. *Kentucky School for the Blind—White.*

1950-51 ----------$113,300
1951-52 ----------$127,500

N. *Kentucky School for the Blind—Colored.*

1950-51 ----------$14,700
1951-52 ----------$15,200

O. *Kentucky School for the Blind—Workshop for Adult Blind.*

1950-51 ----------$22,000
1951-52 ----------$22,300

P. *Kentucky School for the Deaf—White.*

1950-51 ----------$210,000
1951-52 ----------$219,000

Q. *Kentucky School for the Deaf—Colored.*

1950-51 ----------$15,000
1951-52 ----------$16,000

R. *College Tuition for Negroes.* For expenses of pay-

ing college tuition for Negro students required to go out of the State to obtain higher educational training.

1950-51 ---------- $10,000
1951-52 ---------- $10,000

S. *Special Education for Handicapped Children.*

1950-51 ---------- $35,000
1951-52 ---------- $35,000

T. *Teachers' Retirement Fund.* For administering and complying with the obligations of the State under the Teachers' Retirement Act, KRS 161.220 to 161.710.

1950-51 ---------- $1,510,000
1951-52 ---------- $1,510,000

TOTAL—DEPARTMENT OF EDUCATION

1950-51 ---------- $25,785,000
1951-52 ---------- $25,840,000

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30. UNIVERSITY OF KENTUCKY

A. *Division of Colleges.*

1950-51 ---------- $2,300,000
1951-52 ---------- $2,300,000

B. *College of Agriculture.*

1950-51 ---------- $60,000
1951-52 ---------- $60,000

C. *Summer School Session.*

1950-51 ---------- $16,500
1951-52 ---------- $16,500

D. *Repairs to Buildings.*

1950-51 ---------- $60,000
1951-52 ---------- $60,000

E. *Strawberry Marketing and Labeling Act.*

1950-51 ---------- $1,500
1951-52 ---------- $1,500

F. *Library Equipment.*

1950-51 ---------- $12,500
1951-52 ---------- $12,500

G. *Scientific Laboratory Equipment.*

1950-51 ---------- $50,000
1951-52 ---------- $50,000

H. *Engineering Equipment.*
1950-51 ---------- $27,500
1951-52 ---------- $27,500

I. *Experiment Station.* For expenses, including tobacco research,
1950-51 ---------- $75,000
1951-52 ---------- $75,000

J. *University Research, Including Coal.*
1950-51 ---------- $60,000
1951-52 ---------- $60,000

K. *Geological Survey.*
1950-51 ---------- $37,900
1951-52 ---------- $37,900

L. *College of Pharmacy.*
1950-51 ---------- $50,000
1951-52 ---------- $50,000

M. *Service Laboratories.*
1950-51 ---------- $27,500
1951-52 ---------- $27,500

N. *Nursery Inspection.*
1950-51 ---------- $5,000
1951-52 ---------- $5,000

O. *Princeton Sub-Station.*
1950-51 ---------- $22,400
1951-52 ---------- $22,400

P. *Quicksand Sub-Station.*
1950-51 ---------- $22,400
1951-52 ---------- $22,400

Q. *Agricultural Extension Work.*
1950-51 ---------- $400,000
1951-52 ---------- $400,000

R. *Horticulture.* For such expenses as are necessary in performing the duties required of the Kentucky Agricultural Experiment Station KRS 247.060,
1950-51 ---------- $11,500
1951-52 ---------- $11,500

S. *Dairy Cattle Improvement.*
1950-51 ---------- $15,000
1951-52 ---------- $15,000

T. *Hope-Flannigan Act.* This fund shall be used only for the purposes specified in the Hope-Flannigan Act and then only to the extent that the same is matched by Federal Funds under said Act,

1950-51 ----------$195,300
1951-52 ----------$195,300

TOTAL—UNIVERSITY OF KENTUCKY
1950-51 ----------$3,450,000
1951-52 ----------$3,450,000

31. EASTERN STATE COLLEGE

A. *Eastern State College.*
1950-51 ----------$435,000
1951-52 ----------$445,000

32. MOREHEAD STATE COLLEGE

A. *Morehead State College.*
1950-51 ----------$360,000
1951-52 ----------$360,000

33. MURRAY STATE COLLEGE

A. *Murray State College.*
1950-51 ----------$445,000
1951-52 ----------$445,000

34. WESTERN STATE COLLEGE

A. *Western State College.*
1950-51 ----------$500,000
1951-52 ----------$500,000

35. KENTUCKY STATE COLLEGE FOR NEGROES

A. *Kentucky State College for Negroes.*
1950-51 ----------$340,000
1951-52 ----------$340,000

TOTAL—III. EDUCATION
1950-51 ----------$31,315,000
1951-52 ----------$31,380,000

IV. AGRICULTURE AND CONSERVATION

36. DEPARTMENT OF AGRICULTURE

A. *Commissioner of Agriculture.* For expenses of the De-

partment and the divisions thereof, including the State Board of Agriculture,

1950-51 ..... $77,000
1951-52 ..... $77,000

B. *Marketing Services.* For expenses, and/or matching funds under the Hope-Flannigan Act,

1950-51 ..... $47,000
1951-52 ..... $47,000

C. *Surplus Commodities Distribution.*

1950-51 ..... $32,000
1951-52 ..... $32,000

D. *T.B. Testing and Indemnities, Bangs' Disease, and Calfhood Vaccination.*

1950-51 ..... $100,000
1951-52 ..... $100,000

E. *4-H Club and Future Farmer Work.* For paying premiums for 4-H and Future Farmer Work and for the promotion and encouragement of 4-H and Future Farmer activities in Kentucky,

1950-51 ..... $14,000
1951-52 ..... $14,000

TOTAL—DEPARTMENT OF AGRICULTURE

1950-51 ..... $270,000
1951-52 ..... $270,000

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37. STATE FAIR BOARD

A. *Premiums for State Fair.* For payment of premiums in accordance with KRS 247.170,

1950-51 ..... $65,000
1951-52 ..... $65,000

38. DEPARTMENT OF CONSERVATION

A. *Office of Commissioner.*

1950-51 ..... $46,000
1951-52 ..... $46,500

B. *Division of State Parks.*

1950-51 ..... $250,000
1951-52 ..... $250,000

C. *Division of Forestry.*
1950-51 ..... $125,000
1951-52 ..... $135,000

D. *Division of Publicity.*
1950-51 ..... $55,000
1951-52 ..... $65,000

E. *Division of Soil and Water Resources.*
1950-51 ..... $60,000
1951-52 ..... $62,000

F. *Division of Flood Control and Water Usage.*
1950-51 ..... $25,000
1951-52 ..... $25,000

G. *Ohio River Valley Sanitation Commission.*
1950-51 ..... $21,500
1951-52 ..... $21,500

TOTAL—DEPARTMENT OF CONSERVATION
1950-51 ..... $582,500
1951-52 ..... $605,000

TOTAL—IV. AGRICULTURE AND CONSERVATION
1950-51 ..... $917,500
1951-52 ..... $940,000

GRAND TOTAL
1950-51 ..... $57,445,050
1951-52 ..... $57,778,340

PART TWO

NON-RECURRING COSTS—FROM SURPLUS

There is hereby appropriated out of the surplus cash balance in the State Treasury, to the credit of the General Expenditure Fund as of June 30, 1950 for each of the fiscal years 1950-51 and 1951-52, the following sums for the following departments, boards, commissions and subdivisions of the State Government listed hereinafter, for the following purposes:

I. GENERAL GOVERNMENT

1. DEPARTMENT OF FINANCE

A. *Division of Purchases—Purchase of Paper Revolving Fund.* To be used for the purchase of paper to be held in stock until used by the various budget units. Reimbursement shall be made to this account by the budget units for paper used. Any unexpended or unencumbered balance remaining at the end of either fiscal year shall not lapse, but shall be available for expenditure during and following fiscal year,

1950-51 ----------$20,000

B. *Division of Purchases—Central Stores Revolving Fund.* To be used for the purchase of supplies and services as contemplated by KRS 42.060 (3). Reimbursement shall be made to this account by the budget units for supplies and services used. Any unexpended or unencumbered balance remaining of such appropriation at the end of either fiscal year shall not lapse, but shall be available for expenditure during any following fiscal year,

1950-51 ----------$30,000

C. *Division of Purchases—Postage Revolving Fund.* To be used for the purchase of postage to be held in stock until used by the various budget units. Reimbursement shall be made to the account by the budget units for postage used. Any unexpended or unencumbered balance remaining at the end of either fiscal year shall not lapse, but shall be available for expenditure during any following fiscal year,

1950-51 ----------$22,000

D. *Division of Engineering—Utilities Revolving Fund.* To be used for the purchase of utilities for the various budget units. Reimbursement shall be made to this account by the budget units for utilities used. Any unexpended or unencumbered balance remaining at the end of either fiscal year shall not lapse, but shall be available for expenditure during any following fiscal year,

1950-51 ----------$10,000

TOTAL—DEPARTMENT OF FINANCE

1950-51 ----------$82,000

2. DEPARTMENT OF AERONAUTICS

A. *Airport Development.* For airport development as provided for in Chapter 239, 1948 Kentucky Acts embodied in KRS 183.760 through 183.772. No part of this appropriation shall be used for administrative expenses. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ----------$250,000
1951-52 ----------$250,000

3. STATE PROPERTIES AND BUILDING COMMISSION

A. *For Capital Outlay.* For expenditure in accordance with the provisions of KRS 56.440 through 56.550. It is further provided that any necessary amount of this appropriation may be spent for administration and operating expenses. Any balances remaining at the end of the first fiscal year shall carry over to the second,

1950-51 ----------$15,000,000

4. AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD

A. *Topographic Mapping Survey.* For matching available Federal Funds for compilation of modern large scale topographic maps of Kentucky. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ----------$116,000
1951-52 ----------$415,000

B. *Water Survey.* For matching available Federal Funds in conducting surface, ground and quality water surveys. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ----------$67,000
1951-52 ----------$67,000

C. *Mineral Survey.* For necessary expenses in conducting mineral resources investigations. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,

1950-51 ----------$22,500
1951-52 ----------$22,500

TOTAL—AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD
1950-51 ---------- $205,500
1951-52 ---------- $504,500

TOTAL—I. GENERAL GOVERNMENT
1950-51 ---------- $15,537,500
1951-52 ---------- $ 754,500

II. WELFARE

5. DEPARTMENT OF HEALTH

A. *Vital Statistics.* For necessary expenses of the vital statistics survey which occurs once every five years. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,
1950-51 ---------- $25,000

III. AGRICULTURE AND CONSERVATION

6. *Division of Forestry—Capital Outlay.* For capital outlay including moving of nurseries and erection of fire towers. Any unexpended balance at the end of the first fiscal year shall be carried over to the second,
1950-51 ---------- $47,000
1951-52 ---------- $48,000
GRAND TOTAL
1950-51 ---------- $15,609,500
1951-52 ---------- $ 802,500

PART THREE

STATE ROAD FUND

There is hereby established for the purpose of paying all costs of operation and maintenance of the Department of Highways and for carrying on its activities and functions, a State Road Fund which shall consist of all of the revenue realized from fees, taxes and license fees levied for State Road Purposes now authorized by law, or that may hereafter be authorized by law, and any additional or other revenues, grants or funds, including any amount which may be received from Federal aid or any

other source pursuant to the provisions of KRS 177.030, made available for the construction or reconstruction of public roads or for any other of the activities administered by the Department of Highways. Such receipts and revenues, together with any balance in the existing State Road Fund as of March 31, 1950, shall constitute the State Road Fund for the fiscal years 1950-51 and 1951-52. There is hereby appropriated from the State Road Fund the following amounts for the following departments, agencies, and subdivisions of the State Government, for the following purposes:

I. HIGHWAY DEPARTMENT GENERALLY

1. DEPARTMENT OF HIGHWAYS

A. *Department of Highways.* For use by the Department in activities, functions and duties performed by it as prescribed by law, all monies received and placed to the credit of the State Road Fund, not otherwise appropriated in this or any other act.

2. RURAL HIGHWAYS

A. *Division of Rural Highways.* For improvement, construction, reconstruction and maintenance of county roads and bridges, which have not been accepted by the Department of Highways for maintenance, the sum of Five Million ($5,000,000) Dollars for each of the fiscal years 1950-51 and 1951-52. This appropriation is to be expended in accordance with the provisions of KRS 179.410 to 179.430. Not more than six per cent (6%) of this appropriation shall be used for administration.

B. *Secondary and Rural Roads.* For the construction, reconstruction and maintenance of secondary and rural roads, two-sevenths of all revenue received under the provisions of KRS 138.220. This appropriation is in addition to the amount appropriated under section I, sub-section 2, paragraph A of Part Three of this Appropriation Act.

II. TRANSFER TO OTHER FUNDS

3. DEPARTMENT OF REVENUE

A. *Department of Revenue.* For administering and enforc-

ing the laws pertaining to the gasoline, motor fuels and any other taxes comprising the State Road Fund, and administering and enforcing the laws relating to motor vehicle registration, motorist's financial responsibility and other laws relating to motor vehicles and highways. This appropriation is in addition to the amount appropriated to the Department from the General Expenditure Fund in section I, subsection II, paragraph A, of Part One of this Appropriation Act,

1950-51 ---------- $672,000
1951-52 ---------- $672,000

4. DEPARTMENT OF BUSINESS REGULATION

A. *Division of Motor Transportation.*

1950-51 ---------- $250,000
1951-52 ---------- $257,000

5. DEPARTMENT OF THE TREASURY

A. *Department of the Treasury.* For expenses pertaining to treasury administration for the Department of Highways. This appropriation is in addition to the amount appropriated to the Department from the General Expenditure Fund in section I, sub-section 8, paragrapm A, of Part One of this Appropriation Act,

1950-51 ---------- $15,000
1951-52 ---------- $15,000

6. DEPARTMENT OF FINANCE

A. *Department of Finance.* For expenses pertaining to financial and personnel administration for the Department of Highways. This appropriation is in addition to the amount appropriated to the Department from the General Expenditure Fund in section I, sub-section 10, paragraph A, of Part One of this Appropriation Act,

1950-51 ---------- $37,750
1951-52 ---------- $37,750

7. DEPARTMENT OF STATE POLICE

A. *Department of State Police.* For expenses of operation of the Department as provided by law. This appropriation is in addition to the amount appropriated to the Department from

the General Expenditure Fund in section I, sub-section 16, paragraph A, of Part One of this Appropriation Act,

1950-51 ---------- $ 999,600
1951-52 ---------- $1,141,210

8. AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD

For expenses pertaining to the following projects. This appropriation is in addition to the amount appropriated to the Board from the General Fund Surplus in section I, sub-section 4, paragraphs A, B, and C of Part Two of this Act.

A. *Topographic Mapping Survey.*
1950-51 ---------- $116,000
1951-52 ---------- $415,000

B. *Water Survey.*
1950-51 ---------- $33,000
1951-52 ---------- $33,000

C. *Mineral Survey.*
1950-51 ---------- $22,500
1951-52 ---------- $22,500

TOTAL—AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD
1950-51 ---------- $171,500
1951-52 ---------- $470,500

TOTAL TRANSFER TO OTHER FUNDS
1950-51 ---------- $2,145,850
1951-52 ---------- $2,593,460

III. ADMINISTRATION AND EFFECT

9. All funds appropriated to the Department of Highways by section I of Part Three this Act (Highway Department Generally) shall be allocated equitably by the Commissioner of Highways, with the approval of the Commissioner of Finance, between the various activities and functions of the Department of Highways.

10. The appropriations made by this Act are subject to the provisions of chapters 12, 42 and 45 of the Kentucky Revised

Statutes. Nothing in this Act shall be construed to repeal any appropriation for the fiscal year of the State Road Fund ending March 31, 1950.

PART FOUR

REVOLVING, TRUST AND AGENCY FUNDS

There is hereby appropriated to the various boards, commissions, institutions, agencies and/or subdivisions of the State Government only as are listed herein for the fiscal year ending June 30, 1951, and for the fiscal year ending June 30, 1952, all of the fees (which include fees for board and room, athletics, student activities) and rentals, admittances, sales, licenses collected by law, contributions, gifts, subventions, federal grants and other federal receipts and other miscellaneous receipts produced or received by any of the following agencies of the State Government, except as otherwise specifically provided, for the use and benefit of each of the below named agencies of the State Government, the receipts which are received by each of the respective agencies of the State Government listed herein which receipts are placed to the credit of a Revolving or Trust and Agency Fund out of which shall be established separate Revolving or Trust and Agency Fund Accounts for the use and benefit of these agencies of the State Government. The total amount any agency may requisition for expenditure from the Revolving or Trust and Agency Fund Account, through the Department of Finance, shall not during the fiscal year ending June 30, 1951, nor during the fiscal year ending June 30, 1952, exceed the amount placed to the credit of the Revolving or Trust and Agency Fund for such year, out of which has been established a Revolving or Trust and Agency Fund account for each separate agency during such fiscal year, plus any balance which said agency may have had forwarded from the preceding year on or before September 30 of the then current fiscal year, by the Department of Finance.

I. GENERAL GOVERNMENT

1. JUDICIARY AND COURT COSTS

A. *Legal Process Taxes.* As contemplated by KRS 47.120.

B. *Board of Bar Examiners.*

2. SECRETARY OF STATE

A. *Expenses of Federal Elections.* All money received from the Federal Government to reimburse the State for expenses incurred in elections for Federal Officers.

3 AUDITOR OF PUBLIC ACCOUNTS

A. *County Audits.* For the use and benefit of said office in the examination of records of county officers receiving or disbursing public money belonging to the county, all of the fees that may be collected for the fiscal year, as provided in KRS 43.070, and all other fees that may be received in connection with such examination.

4. DEPARTMENT OF FINANCE

A. *Truck Licenses—County Portion.* There shall be credited to this fund for the purpose of distribution to counties such portion of truck licenses as is provided by law, at such times as the Department of Finance may order.

B. *County Process Tax.* As contemplated by KRS 47.110.

5. DEPARTMENT OF REVENUE

A. *Operators Licenses.* The revolving fund account established for the Department by the provisions of KRS 186.410 to be used for the purpose of administering the provisions of KRS 186.400 to 186.640, is hereby abolished as of June 30, 1950, and the revenue derived therefrom shall be credited to the Road Fund.

B. *Gasoline Tax Refund.* The Gasoline Tax Refund Expense Account established by the provisions of KRS 138.356 is hereby abolished as of June 30, 1950, and the revenue derived therefrom shall remain in the Road Fund.

C. *Back Tax Section (Delinquent Taxes).* There shall be credited to this Revolving Fund such fees and revenues as are provided for by KRS 134.400.

6. DEPARTMENT OF MILITARY AFFAIRS

A. *Industrial Peace Officers.* All fees paid under KRS 61.360.

B. *Adjutant General Welfare Fund.*

C. *Division of Armories.*

7. DEPARTMENT OF AERONAUTICS

A. *Department of Aeronautics.*

8. DEPARTMENT OF STATE POLICE

A. *Department of State Police.*

9. AGRICULTURAL AND INDUSTRIAL DEVELOPMENT BOARD

A. *Agricultural and Industrial Development Board.*

10. DEPARTMENT OF LIBRARY AND ARCHIVES

A. *Kentucky Historical Society.*

B. *Library Extension Division.*

C. *State Board for Certification of Librarians.*

11. DEPARTMENT OF BUSINESS REGULATION

A. *Division of Insurance-Fire Prevention.* All fees, receipts, collections and assessments paid into the State Treasury during the calendar years 1950 and 1951, under KRS 136.360, and also an amount equal to twenty-five percent (25%) of all fees and other receipts paid into the State Treasury during such years, pursuant to the provisions of sub-sections (1) to (10) of KRS 296.320, are hereby appropriated to the Division of Insurance, Fire Prevention and Rates Section, for the fiscal years ending June 30, 1951, and June 30, 1952, respectively.

B. *Division of Insurance—Custodian of Securities.* All sums paid for expenses under the provisions of KRS 297.350.

C. *Insurance Examiners Expense.*

D. *State Board of Accountancy.*

E. *State Board of Examiners and Registration of Architects.*

F. *State Board of Barbers and Beauticians Examiners.*

G. *State Board of Chiropractic Examiners.*

H. *State Board of Dental Examiners.*

I. *State Board of Embalmers.*

J. *State Board of Pharmacy.*

K. *State Board of Pharmacy—Prophylactic Enforcement.*

L. *State Board of Examiners of Trained Nurses.*

M. *State Board of Veterinary Examiners.*

N. *State Board of Professional Engineers.*

O. *State Real Estate Commission.*

P. *State Board of Psychologists.*

Q. *Public Service Commission.* The fees collected subject to Provisions of KRS 278.130 to 278.150.

12. DEPARTMENT OF INDUSTRIAL RELATIONS

A. *Workmen's Compensation Board.* Subject to the Provisions of KRS 342.485 and 342.122.

B. *Unemployment Tax–Employers (Administration).*

13. DEPARTMENT OF MINES AND MINERALS

A. *Department of Mines and Minerals.*

14. DEPARTMENT OF BANKING

A. *Department of Banking.*

15. STATE PROPERTY AND BUILDINGS COMMISSION

A. *State Property and Buildings Commission.*

16. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

A. *Jefferson County Master Commissioner.*

B. *Jefferson County Fees.* For paying various officials of Jefferson County seventy-five percent (75%) of the fees provided by law to be paid by the State to such officials when such claims for fees have been presented to the Department of Finance in the form and manner prescribed by law and approved by the Commissioner of Finance, and to pay to the Fiscal Court of said County twenty-five percent (25%) of said fees as may be required by KRS 64.350.

C. *Kenton County Fees.* For paying various officials of Kenton County seventy-five percent (75%) of the fees provided by law to be paid by the State to such officials when such claims for fees have been presented to the Department of Finance in the form and manner prescribed by law and approved by the Commissioner of Finance, and to pay to the Fiscal Court of said County twenty-five percent (25%) of said fees as may be required by KRS 64.350.

D. Any other counties that may come within the purview of KRS 64.350 and Section 106, Kentucky Constitution, during the fiscal years ending June 30, 1951 and June 30, 1952.

II. WELFARE

17. DEPARTMENT OF WELFARE

A. *Mental Hospitals.*

B. *Penal Institutions.*

C. *Kentucky Children's Home.*

D. *Home for Incurables.*

E. *Agricultural Production.*

F. *Metal Stamping Plant.*

G. *Children's Home Society.*

H. *Mallory Investment.*

18. DEPARTMENT OF ECONOMIC SECURITY

A. *Department of Economic Security.*

B. *Bureau of Employment Security.* There is hereby appropriated out of the Unemployment Compensation Administrative Fund, contributions paid into the fund pursuant to KRS 341.290 for each of the fiscal years ending June 30, 1951 and June 30, 1952, for the use of the Department of Treasury for ordinary recurring expenses of operation not to exceed the sum of $4,620, per year for the administration and payment of claims upon the Treasurer arising out of and appertaining to the administration of the Unemployment Insurance Commission.

19. DEPARTMENT OF HEALTH

A. *Department of Health.*

B. *County Health Units and Departments.*

C. *Heart Disease.*

D. *Kentucky Division of Women's Field Army of American Society for Control of Cancer.*

E. *Kentucky Crippled Children's Commission.*

20 STATE TUBERCULOSIS SANATORIA COMMISSION

A. *State Tuberculosis Sanatoria Commission.*

III. EDUCATION

21. DEPARTMENT OF EDUCATION

A. *Department of Education.*

22. UNIVERSITY OF KENTUCKY

A. *University of Kentucky.*

23. EASTERN STATE COLLEGE

A. *Eastern State College.*

24. MOREHEAD STATE COLLEGE

A. *Morehead State College.*

25. MURRAY STATE COLLEGE

A. *Murray State College.*

26. WESTERN STATE COLLEGE

A. *Western State College.*

27 KENTUCKY STATE COLLEGE FOR NEGROES

A. *Kentucky State College for Negroes.*

IV. AGRICULTURE AND CONSERVATION

28. DEPARTMENT OF AGRICULTURE

A. *Commissioner of Agriculture.* Frozen Food Locker Fees, Dog Law Enforcement, Inspection-Stockyard Weighmen, Inspection-Tobacco Warehouse Weighmen, Inspection of Apiaries, Hatchery and Young Poultry Dealers Fees.

B. *Marketing Services.*

29. STATE FAIR BOARD

A. *Continuing Fund-Operation.*

B. *Construction Fund.*

30. DEPARTMENT OF CONSERVATION

A. *Division of State Parks.*

B. *Division of Forestry.*

C. *Division of Publicity.*

D. *Division of Soil and Water Resources.*

E. *Kentucky National Park Commission.*

F. *National Forest Fund.*

G. *Federal Flood Control Payments.*

31. GAME AND FISH

A. *Division of Game and Fish.*

PART FIVE

GENERAL PROVISIONS

1. Nothing in this Act shall be construed to repeal any appropriation for the general fiscal year ending June 30, 1950, or for the fiscal year of the State Road Fund ending March 31, 1950, and nothing in this Act is to be construed to amend or alter the provisions of Chapter 42 of the Kentucky Revised Statutes pertaining to the duties and powers of the Commissioner of Finance.

2. In enacting this Budget Appropriation Law, it is the deliberate intention of the General Assembly to enact each section, and each sub-section thereof, as a separate and/or specific appropriation and law, and if any section or any subsection thereof shall be held invalid, or unconstitutional the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.

3. All continuing appropriations in existence at the time this Act takes effect are hereby discontinued and repealed by this Act, except as provided by Chapters 12, 42 and 45 of the Kentucky Revised Statutes. All laws and parts of laws in conflict with any of the provisions of the above enactments, to the extent of such conflict, are hereby repealed.

4. WHEREAS, the fiscal year of the Department of Highways ends March 31, 1950, and said Department will be without funds on which to operate for three months following said date if this Act becomes effective by normal operation of law, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 1. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, to wit:

Page 1, PART ONE, introductory clause, line 8, strike the word "Chapter" and insert in lieu thereof the word "Chapters"

Mr. Hanratty moved the Previous Question on said Amendment No. 1.

Whereupon the Speaker announced, "Shall the Main Question on said Amendment No. 1 be now put?

Which was decided in the affirmative.

Said Amendment No. 1 to said bill was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 2. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, to wit: Page 5, PART ONE, section I, subsection 5, line 2, by striking the word "Absence" and inserting in lieu thereof the word "Absentee"

Mr. Hanratty moved the Previous Question on said Amendment No. 2.

Whereupon the Speaker announced, "Shall the Main Question on said Amendment No. 2 be now put?"

Which was decided in the affirmative.

Said Amendment No. 2 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 3. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, to wit:

Page 11, PART ONE, section I, sub-section 22, by re-numbering the last three lines on page 11 to be lines 7, 8 and 9.

Mr. Hanratty moved the Previous Question on said Amendment No. 3.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 3 be now put?"

Which was decided in the affirmative.

Said Amendment No. 3 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 4. Amend printed copy of House Bill No. 14, for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, to wit:

Page 14, PART ONE, section II, sub-section 25, line 22, by striking the word "House" and inserting in lieu thereof the word "Houses"

Mr. Hanratty moved the Previous Question on said Amendment No. 4.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 4 be now put?"

Which was decided in the affirmative.

Said Amendment No. 4 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 5. Amend printed copy of House Bill No. 14, for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 15, PART ONE, section II, sub-section 26, line 4, by

striking the words "effect of" and inserting thereof the words "effect or"

Mr. Hanratty moved the Previous Question on said Amendment No. 5.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 5 be now put?"

Which was decided in the affirmative.

Said Amendment No. 5 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 6. Amend printed copy of House Bill No. 14, for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 16, PART ONE, section II, sub-section 26, line 11, by inserting a comma following the word "Also"

Mr. Hanratty moved the Previous Question on said Amendment No. 6.

Whereupon, the Speaker announced, "Shall the Main Question be now put?

Which was decided in the affirmative.

Said Amendment No. 6 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 7. Amend printed copy of House Bill No. 14, for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 16, PART ONE, section II, sub-section 26, line 20, by substituting a comma in lieu of the period following the word "second"

Mr. Hanratty moved the Previous Question on said Amendment No. 7.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 7 be now put?"

Which was decided in the affirmative.

Said Amendment No. 7 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 8. Amend printed copy of House Bill No. 14, for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 24, PART ONE, section III, sub-section 30, line 47, by inserting a period following the word "Sub-Station"

Mr. Hanratty moved the Previous Question on said Amendment No. 8.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 8 be now put?"

Which was decided in the affirmative.

Said Amendment No. 8 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 9. Amend printed copy of House Bill No. 14, for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 29, PART TWO, section I, sub-section 1, line 7, by striking the word "and" and inserting in lieu thereof the word "any"

Mr. Hanratty moved the Previous Question on said Amendment No. 9.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 9 be now put?"

Which was decided in the affirmative.

Said Amendment No. 9 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 10. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 30, PART TWO, section I, sub-section 3, by striking all of the title "STATE PROPERTIES AND BUILDING COMMISSION" and inserting in lieu thereof the title "STATE PROPERTY AND BUILDINGS COMMISSION"

Mr. Hanratty moved the Previous Question on said Amendment No. 10.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 10 be now put?"

Which was decided in the affirmative.

Said Amendment No. 10 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 11. Amend printed copy of House Bill No.

14, for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 34, PART THREE, section II, sub-section 3, line 8, by striking the word and figures "subsection II" and inserting in lieu thereof the word and figures "sub-section 11"

Mr. Hanratty moved the Previous Question on said Amendment No. 11.

Mr. Waterfield raised the point of order that the Previous Question was a debatable motion.

The Speaker ruled that the point of order as raised by Mr. Waterfield was not well taken.

From this decision Messrs. Preston and Waterfield filed the following appeal, viz:

Mr. Speaker:

I appeal from the ruling of the Chair.

s/ Leonard W. Preston
s/ Harry Lee Waterfield

The Speaker vacated the Chair and designated Mr. Lowman as Speaker pro tem.

The Speaker pro tem announced, "Shall the decision of the Chair stand as the judgment of the House?"

It was decided in the affirmative.

The yeas and nays being taken thereon were as follows, viz:

Those who voted in the affirmative were—

*Bill Adams	Clarence J. Barnum	*R. O. Blevins
Edgar Arnett	C. E. Baumgardner	Edward O. Bridgers
Sidney Baer	Leonard T. Bean	Charles J. Bronston
Walter J. Bailey	Fred Beshear	J. D. Buckman, Jr.

Mrs. Mary Burnett	Chester J. Holsclaw	Dr. Roy Sanders
Charles W. Burnley	W. M. Horn, Jr.	Roy Searcy
Alex Calvert	Richard R. Houpt	Paul E. Shannon
Stanley Carter	Robert N. Hubbard	Gus Sheehan, Jr.
Paul Combs	Silas Jacobs	Jesse H. Shelton
Josh R. Cosby	Paul S. Jonas	Forest Smith
*B. H. Crider	Barkley Jones	Joseph T. Snapp
Owen Deering	William Jones	John M. Spaulding
G. I. Drury	Mrs. J. T. Linton	J. Claude Stacy
Thomas R. Duncan	Harry K. Lowman	Raymond D. Stigall
Mitchell S. Fannin	True Mackey	Mrs. Thelma Stovall
Henry C. Hale	Damon Majors	W. R. Stringer
*C. A. Hammons	Walter R. Moorman	*Egbert V. Taylor
James P. Hanratty	C. S. Nabb	M. G. Thompson
George F. Harris	Dr. C. E. Palmore	Rev. T. Herbert Tinsley
Paul E. Hayes	James H. Polsgrove	
John A. Head	*Hobart Rayburn	Ralph N. Walter
William K. Henry	W. R. Reasor	*Fred M. Warns
E. R. Hilton	Carl J. Ruh	Geo. F. Williamson
Ray Holbrook	Amos Runyan	*Republicans
Woodrow W. Hollan		—71

Those who voted in the negative were—

Jack McPherron	Roy Steers	—2

Thereupon the Speaker resumed the Chair.

The House resumed consideration of said Amendment No. 11 to said bill.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 11 be now put?"

Which was decided in the affirmative.

Said Amendment No. 11 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 12. Amend printed copy of House Bill No.

14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 36, PART THREE, section II, sub-section 8, line 11, by inserting a period following the word "Survey"

Mr. Hanratty moved the Previous Question on said Amendment No. 12.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 12 be now put?"

Which was decided in the affirmative.

Said Amendment No. 12 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 13. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 38, PART FOUR, section I, sub-section 3, by inserting a period following the numeral "3" in the title.

Mr. Hanratty moved the Previous Question on said Amendment No. 13.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 13 be now put?"

Which was decided in the affirmative.

Said Amendment No. 13 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 14. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 38, PART FOUR, section I, sub-section 5, line 2, by striking the figures "186.140" and inserting in lieu thereof the figures "186.410"

Mr. Hanratty moved the Previous Question on said Amendment No. 14.

Whereupon, the Speaker announced, "Shall the Main Question Amendment No. 14 be now put?"

Which was decided in the affirmative.

Said Amendment No. 14 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 15. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 39, PART FOUR, section I, sub-section II, by striking from the title the word "REGULATIONS" and inserting in lieu thereof the word "REGULATION"

Mr. Hanratty moved the Previous Question on said Amendment No. 15.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 15 be now put?"

Which was decided in the affirmative.

Said Amendment No. 15 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 16. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 41, PART FOUR, section I, sub-section 16, line 19, by inserting a comma following the word "Constitution"

Mr. Hanratty moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 16 be now put?"

Which was decided in the affirmative.

Said Amendment No. 16 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 17. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 43, PART FOUR, section III, sub-section 27, by striking all of sub-section 27 and inserting in lieu thereof the following:

27. KENTUCKY STATE COLLEGE FOR NEGROES

A. *Kentucky State College for Negroes.*

Mr. Hanratty moved the Previous Question on said Amendment No. 17.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 17 be now put?"

Which was decided in the affirmative.

Said Amendment No. 17 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 18.

Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

Page 44, PART FIVE, by striking from the title the word "PROVISION" and inserting in lieu thereof the word "PROVISIONS"

Mr. Hanratty moved the Previous Question on said Amendment No. 18.

Whereupon, the Speaker announced, "Shall the Main question on Amendment No. 18 be now put?"

Which was decided in the affirmative.

Said Amendment No. 18 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 19. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill, by making the following amendment, to wit:

By inserting a single bar, extending across the page at the following place:

Page 2, PART ONE, sections I, sub-section 1, between lines 16 and 17 and following line 19.

Mr. Hanratty moved the Previous Question on said Amendment No. 19.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 19 be now put?

Which was decided in the affirmative.

Said Amendment No. 19 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 20. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 4, PART ONE, section I, sub-section 3, between lines 38 and 39 and following line 41.

Mr. Hanratty moved the Previous Question on said Amendment No. 20.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 20 be now put?"

Which was decided in the affirmative.

Said Amendment No. 20 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 21. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 5, PART ONE, section I, sub-section 4, between lines 17 and 18 and following line 20.

Mr. Hanratty moved the Previous Question on said Amendment No. 21.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 21 be now put?"

Which was decided in the affirmative.

Said Amendment No. 21 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 22. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 6, PART ONE, section I, sub-section 10, between lines 23 and 24 and following line 26.

Mr. Hanratty moved the Previous Question on said Amendment No. 21.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 22 be now put?"

Which was decided in the affirmative.

Said Amendment No. 22 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 23. Amend printed copy of House Bill

No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 7, PART ONE, section I, sub-section 11, between lines 14 and 15 and following line 17.

Mr. Hanratty moved the Previous Question on said Amendment No. 23.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 23 be now put?"

Which was decided in the affirmative.

Said Amendment No. 23 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 24. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 8, PART ONE, section I, sub-section 12, preceding line 10 and also following line 12.

Mr. Hanratty moved the Previous Question on said Amendment No. 24.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 24 be now put?"

Which was decided in the affirmative.

Said Amendment No. 24 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No 25. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 8, PART ONE, section I, sub-section 13, between lines 12 and 13 and following line 15.

Mr. Hanratty moved the Previous Question on said Amendment No. 25.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 25 be now put?"

Which was decided in the affirmative.

Said amendment No. 25 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 26. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 10, PART ONE, section I, sub-section 18, between lines 24 and 25 and following line 28.

Mr. Hanratty moved the Previous Question on said Amendment No. 26.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 26 be now put?"

Which was decided in the affirmative.

Said Amendment No. 26 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 27. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 10, PART ONE, section I, sub-section 19, between lines 9 and 10 and following line 13.

Mr. Hanratty moved the Previous Question on said Amendment No. 27.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 27 be now put?"

Which was decided in the affirmative.

Said Amendment No. 27 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 28. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 11, PART ONE, section I, sub-section 20, between lines 8 and 9 and following line 12.

Mr. Hanratty moved the Previous Question on said Amendment No. 28.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 28 be now put?"

Which was decided in the affirmative.

Said Amendment No. 28 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 29. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 11, PART ONE, Section I, sub-section 22, between the two lines numbered 6 and following line 8.

Mr. Hanratty moved the Previous Question on said Amendment No. 29.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 29 be now put?"

Which was decided in the affirmative.

Said Amendment No. 29 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 30. Amend printed copy of House Bill

No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 13, PART ONE, section I, sub-section 24, between lines 43 and 44 and following line 47.

Mr. Hanratty moved the Previous Question on said Amendment No. 30.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 30 be now put?"

Which was decided in the affirmative.

Said Amendment No. 30 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 31. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 15, PART ONE, section II, sub-section 25, between lines 44 and 45 and following line 47.

Mr. Hanratty moved the Previous Question on said Amendment No. 31.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 31 be now put?"

Which was decided in the affirmative.

Said Amendment No. 31 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 32. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 17, PART ONE, Section II, sub-section 26, immediately preceding line 32 and also following line 35.

Mr. Hanratty moved the Previous Question on said Amendment No. 32.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 32 be now put?"

Which was decided in the affirmative.

Said Amendment No. 32 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 33. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 18, PART ONE, section II, sub-section 27, between lines 45 and 46 and following line 48.

Mr. Hanratty moved the Previous Question on said Amendment No. 33.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 33 be now put?"

Which was decided in the affirmative.

Said Amendment No. 33 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 34. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 23, PART ONE, section III, sub-section 29, between lines 105 and 106 and following line 108.

Mr. Hanratty moved the Previous Question on said Amendment No. 34.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 34 be now put?"

Which was decided in the affirmative.

Said Amendment No. 34 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 35. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 25, PART ONE, section III, sub-section 30, between lines 66 and 67 and following line 69.

Mr. Hanratty moved the Previous Question on said Amendment No. 35.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 35 be now put?"

Which was decided in the affirmative.

Said Amendment No. 35 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 36. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 27, PART ONE, section IV, sub-section 36, between lines 22 and 23 and following line 25.

Mr. Hanratty moved the Previous Question on said Amendment No. 36.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 36 be now put?"

Which was decided in the affirmative.

Said Amendment No. 36 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 37. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 28, PART ONE, section IV, sub-section 38, between lines 21 and 22 and immediately following line 24.

Mr. Hanratty moved the Previous Question on said Amendment No. 37.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 37 be now put?"

Which was decided in the affirmative.

Said Amendment No. 37 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 38. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 30, PART TWO, section I, sub-section 1, between lines 33 and 34 and immediately following line 35.

Mr. Hanratty moved the Previous Question on said Amendment No. 38.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 38 be now put?"

Which was decided in the affirmative.

Said Amendment No. 38 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 39. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 31, PART TWO, section I, sub-section 4, between lines 17 and 18 and immediately following line 21.

Mr. Hanratty moved the Previous Question on said Amendment No. 39.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 39 be now put?"

Which was decided in the affirmative.

Said Amendment No. 39 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 40. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a single bar, extending across the page, at the following place:

Page 36, PART THREE, section II, sub-section 8, between lines 13 and 14 and immediately following line 17.

Mr. Hanratty moved the Previous Question on said Amendment No. 40.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Said Amendment No. 40 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 41. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a double bar, extending across the page, at the following place:

Page 13, PART ONE, section I, sub-section 24, immediately preceding line 48 and also following line 50.

Mr. Hanratty moved the Previous Question on said Amendment No. 41.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 41 be now put?"

Which was decided in the affirmative.

Said Amendment No. 41 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 42. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a double bar, extending across the page, at the following place:

Page 19, PART ONE, section II, sub-section 28, between lines 8 and 9 and following line 11.

Mr. Hanratty moved the Previous Question on said Amendment No. 42.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 42 be now put?"

Which was decided in the affirmative.

Said Amendment No. 42 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 43. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a double bar, extending across the page, at the following place:

Page 26, PART ONE, section III, sub-section 35, between lines 3 and 4 and following line 6.

Mr. Hanratty moved the Previous Question on said Amendment No. 43.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 43 be now put?"

Which was decided in the affirmative.

Said Amendment No. 43 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 44. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a double bar, extending across the page, at the following place:

Page 28, PART ONE, section IV, sub-section 38, immediately preceding line 25 and immediately following line 28.

Mr. Hanratty moved the Previous Question on said Amendment No. 44.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 44 be now put?"

Which was decided in the affirmative.

Said Amendment No. 44 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 45. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a double bar, extending across the page, at the following place:

Page 31, PART TWO, section I, sub-section 4, immediately preceding line 22.

Mr. Hanratty moved the Previous Question on said Amendment No. 45.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 45 be now put?"

Which was decided in the affirmative.

Said Amendment No. 45 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 46. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and

conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a double bar, extending across the page, at the following place:

Page 32, PART TWO, section I, sub-section 4, immediately following line 24.

Mr. Hanratty moved the Previous Question on said Amendment No. 46.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 46 be now put?"

Which was decided in the affirmative.

Said Amendment No. 46 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 47. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a double bar, extending across the page, at the following place:

Page 36, PART THREE, section II, sub-section 8, immediately preceding line 18 and immediately following line 20.

Mr. Hanratty moved the Previous Question on said Amendment No. 47.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 47 be now put?"

Which was decided in the affirmative.

Said Amendment No. 47 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 48. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a triple bar, extending across the page, at the following place:

Page 28, PART ONE, section IV, sub-section 38, immediately preceding line 29 and immediately following line 31.

Mr. Hanratty moved the Previous Question on said Amendment No. 48.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 48 be now put?"

Which was decided in the affirmative.

Said Amendment No. 48 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 49. Amend printed copy of House Bill No. 14 for the purpose of correcting a typographical error and conforming the printed bill to the original bill by making the following amendment, viz:

By inserting a triple bar, extending across the page, at the following place:

Page 32, PART TWO, section III, sub-section 6, between lines 6 and 7 and immediately following line 9.

Mr. Hanratty moved the Previous Question on said Amendment No. 49.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 49 be now put?"

Which was decided in the affirmative.

Said Amendment No. 49 was agreed to.

Mr. Hanratty offered the following amendment to said bill, viz:

Amendment No. 50. Amend printed copy of House Bill No. 14 on page 21, PART ONE, section III, sub-section 29, paragraph H, lines 57 through 62, the same being the third to seventh lines from the bottom of page 19 of the original bill, by striking therefrom the following words, to wit:

"For reimbursement of local school districts. It is the legislative intent that any salaries paid in whole or in part by use of this appropriation shall be in line with other teachers' salaries in that district. The State Board of Education is responsible for compliance with this provision,"

and substituting in lieu thereof the words:

"For reimbursement of local school districts,"

Mr. Hanratty moved the Previous Question on said Amendment No. 50.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 50 be now put?"

Which was decided in the affirmative.

Said Amendment No. 50 was agreed to.

Mr. Waterfield moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be engrossed and read the third time.

Mr. Hanratty moved that the Constitutional provision as to

the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken thereon in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams
Bill Adams
Edgar Arnett
Sidney Baer
Walter J. Bailey
Clarence J. Barnum
C. E. Baumgardner
Leonard T. Bean
Fred Beshear
L. E. Bradley
Edward O. Bridgers
Thomas L. Britton
Charles J. Bronston
J. D. Buckman, Jr.
Mrs. Mary Burnett
Charles W. Burnley
Alex Calvert
Stanley Carter
Paul Combs
Josh R. Cosby
Owen Deering
G. I. Drury
Thomas R. Duncan
R. C. Estepp, Sr.
Mitchell S. Fannin
Henry C. Hale
James P. Hanratty
George F. Harris
Paul E. Hayes
John A. Head
William K. Henry
E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
Richard R. Houpt
Robert N. Hubbard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
James W. Lambert
Jesse H. Lawrence
Mrs. J. T. Linton
A. L. (Chick) Love
Harry K. Lowman
True Mackey
Damon Majors
William T. Marshall
Archie R. Moore
Emmett G. Moore
Walter R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
James H. Polsgrove
Leonard W. Preston
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
Amos Runyan
Dr. Roy Sanders
Roy Searcy
Paul E. Shannon
James S. Shaw
Gus Sheehan, Jr.
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spaulding
J. Claude Stacy
Roy Steers
Raymond D. Stigall
Mrs. Thelma Stovall
W. R. Stringer
Egbert V. Taylor
M. G. Thompson
Rev. T. H. Tinsley
Ralph N. Walter
Fred M. Warns
Harry L. Waterfield
G. F. Williamson
Adron Doran,
Speaker

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Those who voted in the negative were—

John D. Beatty	Maurice G. Howard	Alton Mitchell
B. H. Crider	Homer E. Losey	LeRoy Saylor
C. A. Hammons	John Martin	Lyle H. Webb
Durham W. Howard	Jack McPherron	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The House then took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 3. A JOINT RESOLUTION providing for an inquiry into and investigation of the affairs, activities and management of the Kentucky Department of Aeronautics; providing for a committee to make such inquiry and investigation and prescribing its powers and duties; providing for the appropriation and disposition of funds for such committee, and declaring an emergency.

Said resolution is as follows, viz:

WHEREAS, in an article published in the Louisville Courier-Journal of January 8, 1950, certain alleged facts concerning the affairs, activities and management of the Kentucky Department of Aeronautics were brought to light, which alleged facts, if true, are of such serious nature as to warrant a thorough inquiry into and investigation of the affairs, activities and management of the Department of Aeronautics; and with view of establishing a policy.

WHEREAS, it is desirable that the General Assembly have full and complete information concerning the affairs, activities and management of the Department of Aeronautics in order that it may be enabled to take on behalf of the citizens of the Commonwealth any legislative action which may appear to be neces-

sary or desirable for the protection of the interests of the Commonwealth and for the furtherance of good government; and

WHEREAS, it is the duty of the General Assembly under the Constitution to investigate irregularities, misconduct or maladministration of the affairs of the Commonwealth;

NOW THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Speaker of the House of Representatives shall, upon the passage and approval of this resolution, forthwith appoint a committee of five members of the House, one of whom shall be designated as Chairman by the Speaker, which committee shall constitute a committee of the General Assembly and, in addition to the powers hereinafter specifically enumerated, shall possess all of the powers granted by Section 39 of the Constitution and by Section 6.072 and 6.080 of the Kentucky Revised Statutes.

Sec. 2. The committee is hereby authorized, empowered and directed to fully and thoroughly inquire into and investigate the affairs, activities and management of the Kentucky Department of Aeronautics, including the conduct and acts of all officers and employes of the Department, and the conduct and acts of any and all persons having or who have had transactions, dealings or contracts, directly or indirectly, with the Department or any of its officers or employes.

Sec. 3. The Committee is authorized and empowered to employ accountants, attorneys, stenographic and clerical assistants, and such other skilled assistants as it may deem necessary and expedient for the performance of its duties, and to purchase or otherwise acquire necessary equipment and supplies.

Sec. 4. The committee shall have full and plenary powers to subpoena, demand the presence of, and examine under oath administered by the chairman of the committee, any and all persons having or who have had transactions, dealings or contracts, directly or indirectly with the Department or any of its officers or employes, and any other person deemed to possess any knowledge or information pertinent to the inquiry and investigation

being conducted. The committee shall have the full power to require any and all persons subpoenaed by it to appear at the time and place mentioned in the subpoena, and the power to require by subpoena the production of any books, papers, documents, contracts, records or other date or written matter deemed pertinent to the inquiry and investigation. The committee shall have the further power to receive evidence by deposition and to provide for the taking of depositions in this state or elsewhere, and for the purpose of taking depositions may delegate any member or employe of the committee to conduct the taking of the deposition.

Sec. 5. The committee shall have authority to reimburse its members and employes for actual and necessary traveling expenses, telephone and telegraph expenses, and similar expenses incurred in the performance of the duties of the committee.

Sec. 6. The committee is authorized and empowered to conduct hearings at any place within this state or elsewhere, and to adopt rules governing its meetings, hearings and procedure.

Sec. 7. The enumeration of powers hereinabove set forth shall not be construed as a limitation upon any inherent powers which the committee may possess as a legislative committee under the Constitution, statutes or common law.

Sec. 8. The Sergeant-at-Arms of the House of Representatives and his assistants shall be at the disposal of the committee to serve subpoenas issued by the committee, and it shall be the duty of the sheriff of any county to serve subpoenas at the request of the committee.

Sec. 9. The committee shall proceed as rapidly as practicable with the inquiry and investigation, and report its findings to the General Assembly before adjournment of the present session.

Sec. 10. That there is hereby appropriated to the committee provided for by this Resolution, out of the General Expenditure Fund in the State Treasury for the current fiscal year, the sum of Five Thousand Dollars, for the purposes of this Resolution. The chairman of the committee may at any time requi-

sition any part or all of the sum so appropriated, and the Department of Finance, upon receiving such requisition, shall issue its warrant upon the State Treasury for the amount requisitioned. Upon receipt of such warrant, the State Treasurer shall issue his check payable to the chairman of the committee, and upon receipt of the check the chairman shall cause the amount thereof to be deposited in a bank of his selection within this state. Disbursements from the funds so placed upon deposit may be made upon checks signed by the chairman of the committee, for any purpose authorized by this Resolution. At the same time the report of findings of the committee is made pursuant to Section 9 of this Resolution, the chairman of the committee shall present an itemized statement of all disbursements of the committee from the deposited funds, and shall issue to the State Treasurer, for deposit and credit to the General Expenditure Fund, his check upon the deposited funds for any unexpended balance thereof.

Sec. 11. WHEREAS, it is essential that the inquiry and investigation provided for in this Resolution be made forthwith in order that the present General Assembly may take such legislative action as may be necessary or desirable for the benefit of the Comonwealth, an emergency is declared to exist and this Resolution shall take effect upon its passage and approval by the Governor.

Mr. Hubbard moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken thereon in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	William K. Henry	Dr. C. E. Palmore
Bill Adams	E. R. Hilton	James H. Polsgrove
Edgar Arnett	Ray Holbrook	W. R. Reasor
Sidney Baer	Woodrow W. Hollan	Carl J. Ruh
Walter J. Bailey	Chester J. Holsclaw	LeRoy Saylor
Clarence J. Barnum	W. M. Horn, Jr.	Roy Searcy
C. E. Baumgardner	Richard R. Houpt	Paul E. Shannon
Fred Beshear	Maurice G. Howard	James S. Shaw
R. O. Blevins	Robert N. Hubbard	Gus Sheehan, Jr.
Edward O. Bridgers	Silas Jacobs	Jesse H. Shelton
Thomas L. Britton	Paul S. Jonas	Forest Smith
J. D. Buckman, Jr.	Barkley Jones	Joseph T. Snapp
Mrs. Mary Burnett	William Jones	John M. Spaulding
Charles W. Burnley	James W. Lambert	J. Claude Stacy
Alex Calvert	Jesse H. Lawrence	Roy Steers
Stanley Carter	Mrs. J. T. Linton	Raymond D. Stigall
Paul Combs	Homer E. Losey	Mrs. Thelma Stovall
Josh R. Cosby	A. L. (Chick) Love	W. R. Stringer
B. H. Crider	Harry K. Lowman	Egbert V. Taylor
Owen Deering	True Mackey	M. G. Thompson
G. I. Drury	John Martin	Rev. T. H. Tinsley
Thomas R. Duncan	William T. Marshall	Ralph N. Walter
Mitchell S. Fannin	Jack McPherron	Fred M. Warns
Henry C. Hale	Emmett G. Moore	Harry L. Waterfield
C. A. Hammons	Walter R. Moorman	Lyle H. Webb
James P. Hanratty	Fred H. Morgan	G. F. Williamson
Paul E. Hayes	C. S. Nabb	—80

Resolved that the title thereof be as aforesaid.

Mr. Moorman moved that the rules be suspended for the purpose of allowing a Report of Committee.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Moorman of the Committee on Agriculture, to which the same had previously been referred, reported bills of the following titles, viz:

H. B. No. 15. AN ACT relating to the certification of agricultural seeds and plant parts, and declaring an emergency to exist.

H. B. No. 16. AN ACT relating to agricultural seeds, amending Sections 250.040, 250.050, 250.060 and 250.070, of the Kentucky Revised Statutes.

With Committee amendment thereto.

Said Committee amendment to said bill is as follows, viz:

Amend printed copy of House Bill No. 16, on page 2, section 1, line 37, by adding, at the end of line 37 of Section 1 on page 2, the following additional sentence:

"This test shall be made during the nine-month period just prior to the date the seed is offered for sale."

and by adding, immediately following the above sentence, the following additional subsection:

"(4) It shall be unlawful to sell or offer for sale tobacco seed that have been grown in one year and comingled with those grown in any other year."

H. B. No. 35. AN ACT relating to the consolidation of the various revolving fund accounts of the Department of Agriculture.

H. B. No. 39. AN ACT relating to the collection and publication of dairy statistics.

H. B. No. 40. AN ACT relating to the duties of the State Board of Agriculture.

H. B. No. 41. AN ACT relating to weights and measures, and weighing and measuring devices.

With the expression of opinion that same should pass.

Whereupon, said bills were each and severally read at length the first time and

Ordered placed on the Calendar.

Mr. Bill Adams moved that the rules be suspended for the purpose of introducing bills.

Said motion was agreed to by a majority of the members elected.

Thereupon, bills of the following titles were introduced, viz:

By Mr. Henry.

H. B. No. 62. AN ACT relating to the Kentucky State Fair, amending Section 247.130 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 247.130 of the Kentucky Revised Statutes is amended to read as follows:

(1) The State Fair Board shall appoint a manager who shall not be one of their number. The manager shall be appointed on the basis of training, ability and experience. The manager shall hold his position during the pleasure of the board, but may be removed only by an affirmative vote of six members of the board. The manager shall be responsible for the administration of the policies set by the board, shall devote his entire time and attention to the performance of such duties and work as may be required of him by law or be assigned to him by the

board, and shall receive such salary, fixed on an annual basis, as the board may determine.

(2) The manager may organize such administrative divisions as may be necessary and may designate chiefs of such divisions who, under his control and supervision, shall have the duties of direction of such divisions. The manager may employ such other employes and agents as he deems necessary for the carrying out of the policies of the board and to conduct the affairs of the State Fair, and may fix the duties and compensation of any employes or agents with the approval of the board.

(4) The manager, employes and agents provided for in this section shall not be subject to the provisions of KRS 42.110 or 42.120.

(5) All persons who shall be employed to judge, at the State Fair, any exhibit requiring a judge shall be residents of this state, except that in the event there is not available a resident of this state qualified to judge a particular exhibit, a nonresident may be employed. Any person, responsible for the selection and employment of a judge or judges, who violates his subsection shall be dismissed or removed.

H. B. No. 63. AN ACT appropriating additional funds out of the surplus cash balance in the State Treasury to the credit of the General Expenditure Fund as of June 30, 1950, for the Common School Per Capita Fund and the School Equalization Fund.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

There is hereby appropriated out of the surplus cash balance in the State Treasury, to the credit of the General Expenditure Fund as of June 30, 1950, for each of the fiscal years 1950-1951 and 1951-1952, the following sums for the following purposes:

Common School Per Capita Fund:

1950-1951 ----------$2,250,000.00
1951-1952 ----------$2,250,000.00

School Equalization Fund:

1950-1951	$ 250,000.00
1951-1952	$ 250,000.00

The sums appropriated by this Act shall be in addition to any other sums appropriated by other acts for the above purposes.

By Mr. Holbrook.

H. B. No. 64. AN ACT relating to teachers' retirement, amending Section 161.600 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 161.600 of the Kentucky Revised Statutes is amended to read as follows:

Any members who has attained the age of sixty years and who has completed twenty years of service as a teacher in Kentucky may retire upon written application to the board of trustees of the retirement system. The filing of the aplication shall, unless it is withdrawn, retire the member at the end of the current fiscal year. Any member shall be automatically retired at the end of the fiscal year during which he attains the age of seventy years. Members who are seventy years of age or older on July 1, 1942, shall be automatically retired on that date.

H. B. No. 65. AN ACT amending Section 29.390 of the Kentucky Revised Statutes, relating to the compensation of jurors.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 29.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) Grand jurors and petit jurors in circuit court shall each paid five dollars per day for jury service. Persons whose names are on the jury list for jury service in circuit court, or are summoned under KRS 29.280 to supply a deficiency, who appear in person in court in response to summons, who reside outside the corporate limits of the city in which the court sits, and who do not claim exemption or ask to be relieved from jury service, shall receive five dollars per day for each day they are required to be and are in attendance, even though they are not sworn or accepted for jury service.

(2) When kept together over night in custody of the sheriff, petit jurors shall receive two dollars additional for each night they are kept together.

(3) In courts inferior to the circuit court each juror shall be paid fifty cents for each case in which he serves, but if the same juror serves on more than two juries in one day he shall not be allowed a fee for the cases in excess of two.

By Messrs. Hayes and Hale.

H. B. No. 66. AN ACT relating to teacher's retirement and tenure.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 161.600 of the Kentucky Revised Statutes is amended to read as follows:

Any member who has attained the age of sixty years and who has completed twenty years of service as a teacher in Kentucky, five years of which have immediately preceded retirement, and any member who has completed thirty years of service as a teacher in Kentucky, irrespective of age, may retire upon written application to the board of trustees of the retirement system. The filing of the application shall, unless it is withdrawn, retire the member at the end of the current fiscal year. Any member shall be automatically retired at the end of the fiscal year during which he attains the age of seventy years.

Members who are seventy years of age or older on July 1, 1942, shall be automatically retired on that date.

Sec. 2. Section 161.620 of the Kentucky Revised Statutes is amended to read as follows:

(1) The retirement allowance of a member retiring for superannuation whose age of retirement is seventy years or over shall be one percent of his average annual prior service salary for each year of prior service and one and one-half percent of his average annual subsequent service salary for each year of subsequent service. The retirement allowance of a member retiring for superannuation whose age at time of retirement is sixty years and less than seventy years shall be reduced to that amount which the value of the retirement allowance computed as provided in this section at age seventy will purchase as of the actual age of retirement of the member, according to the actuarial table in use by the system. The retirement allowance in final amount at age of retirement shall be determined by an actuarial factor equivalent to one at age seventy. Said factors shall be determined by the actuary of the retirement system and approved by the Board of Trustees.

(2) For any members retiring on or after July 1, 1950, no retirement allowance shall be greater than one-half of the member's average annual salary, nor greater than fifteen hundred dollars.

(3) Including living retired members and members who retire subsequently, no retirement allowance shall be less than one hundred dollars per year and not less than ten dollars per credit year at time of retirement, but such total minimum allowance shall not be more than four hundred eighty dollars per year. Any retirement allowance which has been or will be computed to be less than this minimum shall be increased to said minimum.

(4) Subsection (3) of this section shall become effective July 1, 1950.

Sec. 3. Section 161.640 of the Kentucky Revised Statutes is amended to read as follows:

Effective July 1, 1950, all payments to an annuitant shall be made monthly. The first payment shall be made at the pay-

ment date at the end of one full payment period after the annuitant's retirement and shall consist of one regular monthly payment.

By Mr. Deering.

H. B. No. 67. AN ACT relating to the retail sale or other disposition of kerosene, gasoline and other inflammable liquids, defining kerosene and providing a penalty.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The product sold as kerosene or coal oil shall be a mixture of hydrocarbons having a flash point of not less than 120° Fahrenheit as determined by the American Society for Testing Materials closed cup test.

Sec. 2. It shall be unlawful for any person to sell or offer for sale at retail, or to otherwise dispose of kerosene except in a container which is marked or labeled sufficiently that a reasonable person can clearly and easily identify its contents.

Sec. 3. It shall be unlawful for any person to sell or offer for sale at retail, or otherwise dispose of gasoline or other inflammable liquids, other than kerosene, in a container marked or labeled, as required by this Act, as containing kerosene.

Sec. 4. Any person violating Section 2 or 3 of this Act shall be fined not less than $25.00 nor more than $100.00, or imprisoned in the county jail for not more than 20 days, or both.

By Mr. Smith.

H. B. No. 68. AN ACT relating to the compensation of coroners, amending Section 64.180 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 64.180 of the Kentucky Revised Statutes is amended to read as follows:

(1) Coroners may charge and receive a fee of ten dollars for holding an inquest on a dead body and burying the deceased. This sum shall be paid out of the estate of the deceased, if sufficient; if not, out of the county treasury, unless the inquest is held over an unburied body in a city containing a population of over 30,000, in which case the coroner's fee shall be paid by the city.

(2) For all other services, coroners shall be allowed the same fees allowed to sheriffs and constables for similar services.

(3) In addition to all fees, coroners shall receive an annual salary of at least $250, to be set by the fiscal court and to be paid out of the country treasury in monthly installments.

H. B. No. 69. AN ACT relating to the admission of persons to practice law in this state.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The rules and regulations prescribed by the Court of Appeals regulating the admisison of persons to practice law in this state shall include the following provisions.

(1) Any applicant for admission to the Bar of this state who has completed the full legal course required by any college of law, located in this state, which is approved by the Court of Appeals, and has graduated from any of those schools with the LL.B. Degree, and who possesses the other prescribed qualifications for admission to the Bar of this state and is not subject to any disqualification which would preclude him from taking the examination for admission to the Bar, shall not be required to take the examination for admission to the Bar. Upon production of his diploma for the LL.B. Degree, and upon satisfactory proof that he meets the other prescribed qualifications, such

person shall, by order of the Court of Appeals upon his motion, be admitted to the Bar of this State and enrolled as a member thereof.

Sec. 2. This Act shall not be deemed to encroach upon the inherent power of the Court of Appeals to examine and evaluate carefully and pass judgment upon the character and moral habits of all applicants for admission to the practice of law within this state.

By Mr. Morgan.

H. B. No. 70. AN ACT providing that in any county containing a city of the second class and having a population of less than seventy-five thousand, and in which the county clerk shall have had his official bond executed by an incorporated surety company, the amount paid by such clerk as premium on such bond shall not be computed as part of the net compensation which he receives or retains for his services.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In any county containing a city of the second class and having a population of less than seventy-five thousand, and in which the county clerk shall have had his official bond executed by an incorporated surety company, the amount paid by such clerk as premium on such bond shall not be computed as part of the net compensation which he receives or retains for his services but shall be considered as office expense payable out of the gross receipts of such clerk's office before any such computation of his net compensation.

By Messrs. Hayes and Hale.

H. B. No. 71. AN ACT relating to alcoholic beverages, including provisions concerning local option elections; repealing the present statutes relating to alcoholic beverage control and local option, etc.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

ARTICLE I

Sec. 1. For the purposes of this chapter:

(1) "Alcohol" means ethyl alcohol whatever its origin, and includes synthetic ethyl alcohol but not denatured alcohol.

(2) "Beer" means any beverage obtained by the fermentation of barley, malt, hops or any other similar product or substitute, and containing more than three and two-tenths percent of alcohol by weight.

(3) "Non-intoxication beer" means any beverage obtained by the fermentation of barley, malt, hops, or similar product or substitute, and containing not more than three and two-tenths percent of alcohol by weight.

(4) "Wine" means any alcoholic beverage obtained by the fermentation of the natural content of fruits or other agricultural products, containing sugar.

(5) "Spirits" means any alcoholic beverage obtained by distillation and mixed with potable water and other substances in solution, and includes brandy, rum, whiskey, cordials and gin.

(6) "Alcoholic liquor" includes alcohol, beer, wine and spirits, and any liquid or solid containing more than three and two-tenths percent of alcohol of weight and capable of being used as a beverage.

(7) "Original package" means any closed or sealed container or receptacle used for holding alcoholic liquor.

(8) "Sale" means transfer, exchange, or barter in any manner or by any means, for a consideration, and includes all sales made by principal, proprietor, agent or employe.

(9) "Selling" includes solicitation or receipt of orders; possession for sale; and possession with intent to sell.

(10) "Manufacture" means to distill, rectify, ferment, brew, make, mix, concoct, process, blend, bottle, or fill an original package with any alcoholic liquor.

(11) "Manufacturer" means any person engaged in the manufacture of any alcoholic liquor, and among others includes a distiller, a rectifier, a wine maker, and a brewer.

(12) "Brewery" means an establishment where beer is manufactured or in any way prepared.

(13) "Winery" means an establishment where wine is manufactured or in any way prepared.

(14) "Distillery" mean an establishment where alcoholic liquor other than wine or beer is manufactured or in any way prepared.

(15) "Public place" means any place, building or conveyance to which the public has, or is permitted to have access, including restaurants, soda fountains, and hotel dining rooms and lobbies, and corridors of hotels, and any highway, street, lane, Park or place of public resort or amusement.

(16) "State Liquor Store" means a store established and operated by the commission under this chapter for the sale of alcoholic liquor in the original package for consumption off the premises.

(17) "An agency" means a drug store, hotel, grocery store or general store designated by the commission as a retail distributor of alcoholic liquor for the Kentucky Liquor Control Commission.

(18) "Department" means the organization through which the commission exercises powers imposed upon it by this chapter.

(19) "Commission" means the Kentucky Liquor Control commission.

Sec. 2. No person shall sell, possess for sale, transport, or distribute alcoholic liquors in this state except in accordance with the provision of this chapter.

Sec. 3. Except as otherwise provided in this chapter, and subject to the provisions of this chapter, alcoholic liquors, in this state:

(1) Shall be sold only in sealed packages.

(2) Shall not be sold for consumption on the premises where sold.

(3) Shall be manufactured only by persons licensed under the provisions of this chapter.

(4) Shall not be consumed or sold for consumption in a public place.

Sec. 4. Alcoholic liquors shall be sold at wholesale and retail in this state only by or through the Kentucky Liquor Control Commission, or its retail agencies.

ARTICLE II

Sec. 1. To accomplish the purposes of this chapter there is hereby created the "Kentucky Liquor Control Commission," which shall be a public corporation, and, as such, may sue and be sued, contract and be contracted with, and shall have a common seal. The commission shall constitute an independent agency of the state government, within the meaning of Chapter 12 of the Kentucky Revised Statutes.

Sec. 2. The commission shall consist of three members to be appointed by the Governor. The commissioners shall devote their entire time to the duties of the office.

Sec. 3. The term of office of members of the commission shall be four years, except that the members of the first commission shall be so appointed that one member shall serve for a term of two years, one member for a term of three years, and one member for a term of four years. As these appointments expire, subsequent appointments shall be made for four-year terms. Any appointment to fill a vacancy shall be for the unexpired term.

Sec. 4. The members of the commission shall be selected with special reference to their ability and fitness to perform the duties required of them by this chapter. Not more than two of the commission shall be members of the same political party.

Sec. 5. A member of the commission shall not be a candidate for or hold any public office other than that of member of the commission; nor shall he be a member of any committee of a political party. In case a member becomes a candidate for or is appointed to any public office or political committee, his office as member of the commission shall be automatically vacated.

Sec. 6. No member of the commission shall have a per-

sonal interest in or derive any gain from an enterprise or industry engaged in the manufacture, sale or use of alcoholic liquor.

Sec. 7. Before entering upon their duties, members of the commission shall each take and subscribe to the constitutional oath, and shall give bond in the penal sum of twenty-five thousand dollars, to be approved by the Governor and conditioned upon the faithful performance of their duties. The bond and oath shall be filed with the Secretary of State.

Sec. 8. The Governor shall designate one member of the commission as chairman, who shall be the presiding officer, and the members shall choose one of their own members secretary. A majority of the members shall constitute a quorum for the conduct of official business.

Sec. 9. Each member of the commission shall receive a salary of five thousand dollars per annum and his actual and necessary traveling expenses incurred in the performance of his duties.

Sec. 10. The offices of the commission shall be maintained at the state capital and shall be the regular place of meeting of the commission.

Sec. 11. The commission shall have the following powers and duties and any and all other powers and duties reasonably necessary and convenient for the purposes of this chapter;

(1) Exercise general supervision of, and make rules and regulations for the management of, its department.

(2) Sign and execute in the name of the commission any contract or agreement authorized by this chapter.

(3) Supervise the fiscal affairs and responsibilities of the department, subject to the provisions of Chapters 41 to 45 of the Kentucky Revised Statutes.

(4) Obtain by lease or agreement, after receiving competitive bide, lands and buildings required for the purposes of this chapter. All such leases and agreements shall contain a condition whereby such leases or agreements shall terminate and all liability of the commission thereunder shall cease and determine, should the sale of alcoholic liquors be prohibited under the pro-

visions of Article Five of this chapter. Nothing herein contained shall empower the commission to acquire title to any real estate, except that with the approval of the Governor the commission may purchase real estate for the purpose of one warehouse to be centrally located, the title to which shall be taken in the name of the Commonwealth.

(5) Keep a complete and accurate record of all proceedings; record and file all bonds and contracts taken or entered into, and assume responsibility for the custody and preservation of all papers and documents pertaining to the commission.

(6) Purchase or lease as provided by law all equipment necessary for the conduct of the department.

(7) Report to the Governor each year all information relative to the operation and functions of the department, and make such other reports and recommendations as may be required by the Governor.

(8) Exercise any other power that may be necessary or proper for the orderly conduct of the business and the effective discharge of the duties of the commission.

(9) Invoke any legal or equitable remedies for the enforcement of the orders of the commission or the provisions of this chapter.

(10) All writings required to be executed on behalf of the commission shall be signed by the chairman and attested by the secretary, except that in the absence of the chairman such writing may be executed by the other two members.

Sec. 12. The commission shall appoint or employ, and fix the salaries of, such assistants and employes as may be necessary to the efficient operation of the department, subject to the provisions of KRS 42.110 to 42.160.

Sec. 13. The commission shall require bonds of its employes in accordance with the provisions of KRS 62.170 to 62.200.

Sec. 14. The commission shall have the authority to grant and revoke licenses as provided in Article Four of this chapter.

Sec. 15. The commission shall prescribe regulations governing the advertising of alcoholic liquors in this state. The

regulations shall prohibit advertising that encourages intemperance, induces minors to purchase, or tends to deceive or misrepresent.

Sec. 16. The commission shall have the power to prescribe rules and regulations to give effect to the powers vested in it by this chapter. All records and entries necessary to show the official conduct of the commission shall be preserved and shall be public records and open for inspection during business hours.

Sec. 17. All powers and duties vested in the commission, except the power to sign contracts, may be exercised by the appointees or employes of the commission under its direction; but the commission shall be responsible for their acts.

Sec. 18. In all hearings and proceedings before the commission, the evidence of witnesses and the production of documentary evidence may be required. Summons may be issued by it for appearance at any designated place of hearing. In case of disobedience to a summons or other process, the commission or any party to the proceedings before the Commission may invoke the aid of the circuit court in requiring the evidence and testimony of witnesses and the production of papers, books and documents. Upon proper showing, the court shall issue an order requiring witnesses to appear before the commission, produce all books and paper, and give evidence touching the matter in question. Any person failing to obey the order may be punished bv the court as for contempt. A claim that evidence may tend to incriminate the person giving the evidence shall not excuse him from testifying, but he shall not be prosecuted for any offense concerning which he is compelled to testify.

Sec. 19. The Attorney General and the county and Commonwealth's attorneys of the several counties and districts shall render to the commission, without additional compensation, such legal services as it may require of them in the discharge of its duties under the provision of this chapter.

Sec. 20. The members of the commission shall not be civilly responsible for any act done or omitted in good faith in the discharge of duties imposed upon them by this chapter.

Sec. 21. At the close of each fiscal year, the Auditor of

Public Accounts shall audit the affairs of the commission and report the results of the audit to the Governor.

ARTICLE III

Sec. 1. (1) The sale of alcoholic liquors at wholesale and retail in this state shall be a state monopoly. Alcoholic liquors shall be sold at retail only through the state stores and the agencies of the Kentucky Liquor Control Commission.

(2) The commission may sell such liquors at wholesale to persons licensed to purchase at wholesale as provided in the chapter.

Sec. 2. (1) The commission shall establish state stores and agencies at places throughout the state so as to serve adequately and reasonably the demand for the sale at retail of alcoholic liquors, subject only to the limitations imposed by Article Five of this chapter. It may discontinue a store or agency when in its opinion it is advisable to do so.

(2) A store or agency shall not be located in the immediate vicinity of a church or school.

Sec. 3. The commission shall establish and manage as many warehouses as may be necessary, but not more than four, for the storage of alcoholic liquors and the supply of state stores and agencies.

Sec. 4. The commission shall appoint a manager for and assign employes to each state store. The manager shall be responsible to the commission for the conduct and operation of the store.

Sec. 5. The commission shall issue appropriate rules and regulations to govern the conduct of state stores and agencies.

Sec. 6. A state agency shall procure stocks of alcoholic liquort for sale at retail only from the commission. Sales at retail in agencies shall be made in the same manner as sales in state stores.

Sec. 7. (1) The commission shall classify state agencies into not more than five groups with respect to volume of business. An agent shall be compensated in a fixed sum, uniform within

each group, and in an amount to be fixed by the commission, but not more than three thousand dollars in any one year.

(2) Each agent shall give bond in an amount fixed by the commission conditioned upon the faithful observance of the provisions of this chapter, compliance with the rules and regulations of the commission, and the accounting for and paying over of all moneys coming into his custody by virtue of his agency. An agent shall not, at any time, have on hand a stock of alcoholic liquors greater in value than the amount of his bond.

Sec. 8. An agent shall make no profit from the sale of alcoholic liquors, nor shall he receive compensation for the performance of his duties as agent other than that paid him by the commission.

Sec. 9. (1) The commission shall, from time to time, fix uniform prices for each variety, class and brand of alcoholic liquors offered for sale in state stores and agencies. Alcoholic liquors shall be sold in state stores and agencies only at the uniform prices fixed by the commission.

(2) The commission shall prepare price lists showing the price of each variety, class or brand. Price lists shall be posted prominently in each store or agency and shall be available for distribution and inspection in every state store or agency.

Sec. 10. The commission, with the approval of the commissioner of Finance, shall install a uniform system of records and accounts for state stores and agencies. It shall require a daily report of sales and stock inventory, and shall audit the accounts and check the stock inventory of each store and agency at least once in every thirty days.

Sec. 11. The commission shall prescribe a method of stock or inventory control that will show the amount of each variety, class and brand of alcoholic liquor on hand in each state store, agency and warehouse at any time.

Sec. 12. The commission shall fix the days on which state stores shall be open and the hours of opening and closing, and the hours during which agencies may sell alcoholic liquors. Stores shall not be open nor shall agencies sell alcoholic liquors on Sundays or during the time the polls are open on any general, primary or special election day.

Sec. 13. A store or agency shall not display any alcoholic liquor or display or distribute any advertising matter, nor shall a person employed in a state store or agency advertise, display or recommend any type, class or brand of alcoholic liquors, nor shall he discuss or comment upon the relative merits of any such liquors.

Sec. 14. (1) The commission shall acquire, by purchase or lease, equipment, materials, supplies and other property necessary for the operation of state stores in the manner required for the purchase or lease of property by other state departments. This requirement shall not apply to the purchases of alcoholic liquor for sale or to the leasing of premises for state stores or warehouses.

(2) The commission shall require a sworn statement with the delivery of alcoholic liquors purchased by it that the goods are as represented, and do not contain any impure or deleterious matter. The commission shall by frequent chemical analysis determine that liquors offered for sale in state stores and agencies are pure, potable, and not misrepresented.

Sec. 15. (1) In order to avoid the accumulation of excessive stocks in warehouses and stores, the commission shall so plan its purchases of alcoholic liquors for sale in state stores and agencies that the stock on hand at any time does not exceed the estimated requirements for sixty days' sales.

(2) The commission may, with the consent of the Governor, contract for the manufacture of alcoholic liquors for sale in state stores and agencies. Such liquors shall bear a special designation as a "state brand."

Sec. 16. Alcoholic liquors shall be sold only in sealed packages, bearing such seals and labels as the commission may require. A manufacturer of liquor offered for sale in state stores and agencies shall attach to each bottle a special label bearing an accurate description of the contents of the bottle in such form and detail as the commission may require.

Sec. 17. The commission, with the approval of the Governor, the State Treasurer and the Commissioner of Finance, shall prescribe regulations for the handling and depositing of all

moneys collected by the commission. All receipts shall be remitted promptly to the State Treasury.

Sec. 18. The following funds are created in the State Treasury for the purpose of this chapter:

(1) The operating fund, which shall be a revolving fund from which all expenses of operation and administration shall be paid except those authorized to be paid from the reserve fund.

(2) The reserve fund, which shall be a reserve for contingencies and depreciation. This fund may be used for (a) the purchase of equipment and other property having a useful life of more than one year from date of purchase, and (b) transfer to the operating fund to meet unusual requirements arising in the course of business. Transfers from the reserve fund to the operating fund shall be made as follows: The commission shall recommend such transfer to the Governor and the Governor shall draw the requisition if he approves the transfer. Moneys in the reserve fund not needed for cash reserve shall, with the approval of the Governor, be invested by the State Treasurer in obligations of the United States, of this State, or any of its subdivisions.

Sec. 19. All moneys collected by the commission shall be credited to the operating fund until that fund reaches an amount sufficient for the current and routine requirements of the department, this amount to be fixed by the commission with the approval of the Governor, and not to exceed at any time the sum of six hundred fifty thousand dollars. The receipts in excess of the requirements of the operating fund shall be paid into the reserve fund until the amount of the reserve fund equals three hundred fifty thousand dollars. Receipts in excess of the requirements of the operating and reserve funds shall be paid into the General Fund of the State Treasury; twenty-five percent of such receipts hereby is appropriated, annually, to the Common School Per Capital Fund, for the payment and increase of the monthly salaries of teachers, this appropriation to be in addition to any other appropriations to said fund; the balance of such receipts shall be available to meet such appropriations from the General Fund as may be made by law, except that in the event provision is made by law for the payment of a veterans' bonus, ten percent of such receipts hereby is appropriated, annually, for the purpose

of making bonus payments or for retiring bonds issued to finance bonus payments, and ten percent of such receipts hereby is appropriated for the Welfare Department.

Sec. 20. The sale of alcoholic liquors in state stores and in state agencies shall be for cash only.

Sec. 21. Not more than one gallon of alcoholic liquor shall be sold to a person at one time; but a sale in excess of one gallon may be made to a person licensed to purchase at wholesale, and to a religious organization purchasing wine for sacramental purposes.

Sec. 22. Alcoholic liquors shall not be sold to a person who is:

(1) Less than twenty-one years of age;

(2) An habitual drunkard;

(3) Intoxicated;

(4) Addicted to the use of narcotic drugs; or

(5) Mentally incompetent.

Sec. 23. A person, while on the premises of a state store or agency, shall not:

(1) Break the seal upon any package of alcoholic liquors;

(2) Consume alcoholic liquors; or

(3) Loiter.

Sec. 24. (1) An appointee or employe of the commission shall have the authority of a peace officer, to arrest a person for an act committed on or about the premises of a state warehouse, state store, or agency, and in his presence, which amounts to a violation of a provision of this chapter, or disorderly conduct.

(2) The commission shall furnish its appointees and employes with an official badge as evidence of this authority.

(3) A person who resists or commits an assault upon an appointee or employe of the commission while engaged in the performance of his duties hereunder shall be punished by a fine of not less than fifty dollars nor more than five hundred dollars, or by confinement in jail not less than thirty days nor more than six months, or by both such fine and imprisonment.

(4) Members of the commission are hereby vested, and

such officers, agents and employes of the commission as shall be designated by the commission shall, upon being so designated, be vested, with like power and authority to enforce the provisions of this chapter and the criminal laws of the state relating thereto as are vested in sheriffs of counties.

ARTICLE IV

Sec. 1. The commission shall grant and revoke licenses in accordance with the provisions of this article. Licenses shall be issued and renewed for the period of the fiscal year beginning July 1 and ending the following June 30.

Sec. 2. The commission may grant licenses for the manufacture of alcoholic liquors. Licenses for manufacture shall authorize the manufacture and sale of alcoholic liquors as provided by this chapter. Separate licenses shall be issued to the following classes of manufacturing establishments:

(1) Distilleries, in which only alcoholic liquors other than wine or beer shall be manufactured;

(2) Wineries, in which only wines shall be manufactured;

(3) Breweries, in which beer shall be manufactured;

(4) Bottling plants, in which beer only shall be bottled;

(5) Industrial plants, in which alcohol is distilled, manufactured, or otherwise produced for scientific, chemical, mechanical, or industrial purposes.

Sec. 3. A person who is licensed to manufacture alcoholic liquors in this state may sell such liquors in this state only to the Kentucky Liquor Control Commission, and to wholesalers and retailers licensed as provided in this chapter. A manufacturer may sell alcoholic liquors outside of the state for use or resale outside of the state.

Sec. 4. The commission may grant to wholesale druggists a license to purchase alcoholic liquors at wholesale from or through the commission for the purpose of resale within the state. Such wholesale druggists shall have the right to purchase ethyl alcohol, for non-beverage purposes, at wholesale, and for resale to pharmacists, or druggists or drug stores employing a duly licensed pharmacist, having a regular place of business, or

to other persons licensed to purchase ethyl alcohol from the commission, from distillers, manufacturers, jobbers or other wholesale druggists, whether within or without the state, and whether the seller has a permit or license from the commission to sell same, and ship and transport or cause to be shipped and transported to their places of business, upon filing with the commission at the time of or prior to such purchase a copy of the purchase order for same, together with a statement in writing showing approximately when, and in what manner the ethyl alcohol so purchased will be shipped or transported to their places of business.

Sec. 5. (1) The commission may grant licenses to persons to purchase alcoholic liquors at wholesale from or through the commission for industrial or scientific uses, or for use in institutions as provided in section 5 of Article Six of this chapter, and may, by special permit for such fee as the commission may fix, authorize transactions at wholesale for the purchase of alcohol for scientific, chemical, mechanical or industrial purposes only; but no license fee shall be required from institutions, departments, or agencies of the state government or any political subdivision thereof.

(2) The commission may issue, without fee, special permits authorizing religious organizations to purchase, upon orders approved by the commission, wine for sacramental purposes.

Sec. 6. The commission may issue licenses to retail druggists to sell, upon prescription, and for the purposes provided for in this chapter, alcoholic liquors purchased from the commission. Any pharmacist, or retail druggist or drug store employing a duly licensed pharmacist, having a regular place of business, may, upon filing with the commission, at the time of or prior to any purchase, a copy of the purchase order together with a written statement showing approximately when and in what manner any ethyl alcohol purchase will be shipped or transported, purchase from distillers, manufacturers, jobbers or wholesalers, whether within or without the state, and whether the seller has a permit or license to sell the same, ethyl alcohol for use in compounding or manufacturing any of the medical or other preparations mentioned in section 4 of Article Six of this chapter, and ship and

transport or cause same to be shipped and transported to his place of business.

Sec. 7. The commission shall license without fee a still used solely for laboratory purposes in an educational institution and a still used solely for pharmaceutical purposes.

Sec. 8. The commission shall license a still used by a commercial chemist for laboratory purposes only, and not used for the purpose of the manufacture of alcoholic liquors for resale, at a fee of five dollars.

Sec. 9. Each separate place of business shall require a separate license. Licenses shall not be transferable but, with the approval of the commission in such form and manner as the commission may prescribe, may be amended to change the location of the business licensed.

Sec. 10. A person who desires to apply for a license authorized by the provisions of this chapter shall, not more than thirty nor less than ten days before the filing of formal application, give notice of his intention. He shall give notice by posting a statement of his intention in such form as the commission may require at the front door or principal entrance of the place where the business is to be conducted. He shall also publish notice, in such form as the commission may require, at least once in a newspaper published or having a general circulation in the county and municipality in which he intends to do business. Retail druggists desiring to sell alcoholic liquors on prescription shall not be subject to the provisions of this section, but shall file formal application in writing with the commission and shall pay the license fee.

Sec. 11. Not less than ten days after giving notice of his intention, a person desiring to apply for a license shall file formal application, in writing, with the commission and shall pay the license fee.

Sec. 12. Within fifteen days after the filing of formal application for a license the commission shall either grant or refuse the license. If the commission refuses to grant the license it shall refund the license fee.

Sec. 13. The commission shall refuse the license if it finds that:

(1) The applicant is not a suitable person;

(2) The place to be occupied by the applicant is not a suitable place; or

(3) A sufficient number of licenses have already been issued.

Sec. 14. A person possessing a license under the provisions of this chapter shall pay the fee annually on or before the first day of July of each year. If the license fee is not paid on that day, the license shall be automatically revoked, unless the commission shall, for good cause, grant an extension in writing for not more than ten days.

Sec. 15. A person to whom a license is issued under the provisions of this chapter shall pay, annually, to the commission a license fee as follows, for:

(1) Distilleries, five hundred dollars;

(2) Wineries, two hundred and fifty dollars;

(3) Breweries, two hundred and fifty dollars;

(4) Bottling plants, one hundred dollars;

(5) Wholesale druggists, fifty dollars;

(6) Institutions, ten dollars;

(7) Industrial use, fifty dollars;

(8) Industrial plants producing alcohol, two hundred and fifty dollars;

(9) Retail druggists, ten dollars.

Sec. 16. The commission shall prescribe records to be kept by licensees and shall require regular reports at least every thirty days of the amounts and kinds of alcoholic liquors manufactured, sold, or kept in stock under the authority of a license issued according to the provisions of this article. Records which the licensee is required to keep shall be open at all reasonable times to inspection by the commission or its agents.

Sec. 17. The commission shall have authority to prescribe such rules and regulations and to require the reporting of such information by licensees as may be necessary for the effective administration of the provisions of this chapter.

Sec. 18. A municipal corporation shall not impose a fee

or a special tax as a condition upon the exercise of a license issued under the provisions of this chapter.

Sec. 19. The commission shall revoke a license issued by it if it shall find that:

(1) The licensee is not a suitable person;

(2) The place occupied by the licensee is not a suitable place;

(3) The licensee has violated a provision of this chapter or regulation made by the commission under the authority of this chapter; or

(4) The licensee has failed to comply with the spirit and intent of this chapter by encouraging intemperance, the unlawful consumption of alcoholic liquors, or otherwise.

Sec. 20. Before revoking a license issued under the authority of this chapter, the commission shall give at least ten days' notice to the licensee. Notice shall be in writing, shall state the reason for revocation and shall designate a time and place when the licensee may show cause why the license should not be revoked. Notice shall be sent by registered mail to the address for which the license was issued. The licensee may, at the time designatd for the hearing, produce evidence in his behalf and be represented by counsel. On the final revocation of a license the commission shall immediately take over any stocks or liquors possessed by the licensee that he has purchased from the commission, and pay to the licensee the amount paid by him to the state for such stocks less the amount necessary to defray the costs incurred by the commission in the revocation proceedings.

Sec. 21. A decision of the commission granting or revoking or refusing to grant or revoke a license authorized by this chapter shall be subject to judicial review in the circuit court of Franklin County upon the appeal of a licensee, an applicant for a license, a resident of the community in his own behalf or in behalf of the community, or an interested party who is dissatisfied with the decision of the commission in granting, refusing to grant, revoking or refusing to revoke a license authorized by this chapter, but in any such judicial review only the legality of the decision of the commission under the constitution and laws of this state and the United States shall be determined.

ARTICLE V

Sec. 1. (1) As used in this Article, "territory" means a county, district, city or precinct.

(2) Subject to the provisions of this Article, elections may be held in any territory to determine whether the sale of alcoholic liquors shall be permitted within that territory.

Sec. 2. (1) A petition for an election shall be signed by a number of constitutionally qualified voters of the territory to be affected, equal to twenty-five percent of the votes cast in the territory at the last preceding general election. The petition may consist of one or more separate units, and shall be filed with the county clerk.

(2) The petition for election, in addition to the name of the voter, shall state also his post office address and the correct date upon which his name was signed.

(3) No signer may withdraw his name or have it taken from the petition after the petition has been filed. If the name of any person has been placed on the petition for election without his authority, he may appear before the county court before the election is ordered and upon proof that his name was placed on the petition without his authority, his name may be eliminated by an order of the court. When his name has been eliminated, he shall not be counted as a petitioner.

(4) After a petition for election has been filed, the county court shall, at the current or the next regular term, make an order on the order book of the court directing an election to be held in that territory.

Sec. 3. (1) The date of the election may be stated in the petition for election. If the date is not stated, it shall be designated by the county court.

(2) The election shall be held not earlier than sixty nor later than ninety days after the date the petition is filed with the county clerk.

(3) The election shall not be held on the same day that a primary or general election is held in the territory or any part of the territory, nor within thirty days next preceding or following a regular political election.

(4) No election in any territory less than the county shall be held on the same day on which an election for the entire county is held.

(5) No election shall be held in the same territory oftener than once in every three years.

Sec. 4. Within five days after the county court orders an election, the county clerk shall give to the sheriff a certified copy of the order. The sheriff shall have the order published for at least two weeks before the election in a weekly or daily newspaper published in the county. When the election is ordered for the entire county, the sheriff shall also advertise the order by written or printed handbills posted at not less than five conspicuous places in each precinct of the county for two weeks before the election, and, when the election is ordered held in a city, district or precinct, at five conspicuous places in each precinct therein for the same length of time. If no daily or weekly newspaper is published in the county, or the proprietor of the newspaper fails to publish the advertisement, the printed or written handbills posted as provided in this section shall be sufficient. The sheriff shall report in writing to the county court that the notices, have been published and posted.

Sec. 5. The proposition to be voted upon shall be stated on the ballot without emblems and two spaces shall be left upon the right side of the ballot, one for votes favoring the proposition, to be designated by the word "Yes", and one for votes opposing it, to be designated by the word "No". The voter shall designate his vote by a cross mark placed opposite the word "Yes" or the word "No". The form of the proposition shall be, "shall the sale of alcoholic beverages under the Kentucky Liquor Control Commission be permitted in name of county, district, city or precinct?"

Sec. 6. (1) The general election laws, including penalties for violations, shall apply to the election, except where those laws are inconsistent with this chapter.

(2) The cost of the election shall be borne by the county.

Sec. 7. Not more than twenty days prior to an election any group of citizens that in good faith favors or opposes the proposition to be submitted may file with the chairman of the county

board of election commissioners a petition asking that it be recognized as the committee entitled to nominate election officers and to certify challengers, witnesses to the count of the ballots and certification of the results, and guards to assist in guarding the ballot boxes during the period which the group desires. If more than one group claims the right to nominate election officers and certify challengers, witnesses and guards, the county board of election commissioners shall promptly decide and publicly announce which committee is entitled to nominate officers and certify challengers, witnesses and guards. That decision shall not be final, but any aggrieved party may appeal to the county court, and upon hearing the county judge shall determine which group shall be recognized.

Sec. 8. (1) The respective committees advocating and opposing the proposition shall each file with the chairman of the county board of election commissioners before the time designated for the selection of officers a list of not more than four persons possessing the qualifications of election officers for each voting precinct, and the board of election commissioners shall appoint the officers from those lists, as provided in section 9 of this Article.

(2) The Committees may sign and issue certificates designating challengers at the polls, witnesses to the count of ballots and guards to assist in guarding the ballot boxes, in the same manner as political committees under the general election laws.

Sec. 9. The county board of election commissioners, not more than fifteen and not less than ten days before the day appointed for the holding of the election, shall appoint officers to conduct the election, in the manner provided by the general election laws. It shall make equal division of officers between those favoring and those opposing the proposition, instead of between political parties. The same equal division of challengers at the polls, of witnesses to the count, and of guards to guard the boxes, shall be made.

Sec. 10. The result of the election shall be certified by the county board of election commissioners. The certificate of the result shall be immediately filed with the county clerk and safely kept by him until the next regular term of the county court, when the court shall have the certificate entered on the order book.

The entry of the certificate, or an attested copy thereof, shall be prima facie evidence of the result of the election in actions under this chapter.

Sec. 11. Any qualified voter may demand a recount of the ballots or contest the election in the same manner as is provided for the recount of ballots or contest of general elections of county officers by KRS 122.070 to 122.100. The members of the county board of election commissioners shall be named as contestees and summons shall be served upon them. Any qualified voter may intervene as contestee by filing a petition to be made a party in the action.

Sec. 12. When the majority of the votes cast at an election are opposed to the sale of alcoholic beverages in the territory, the county court shall, immediately after entering the certificate of the board of election commissioners in the order book of the county court, certify the result of the election to the Kentucky Liquor Control Commission, and within thirty days after receiving such certification the commission shall close all state stores and discontinue all agencies situated within the territory.

Sec. 13. When, at an election held in a territory in which the sale of alcoholic liquors has previously not been permitted, a majority of the votes are in favor of permitting the sale of alcoholic beverages in the territory, the county court shall, immediately after entering the certificate of the board of election commissioners in the order book of the county court, certify the result of the election to the Kentucky Liquor Control Commission, and thereafter the commission may establish state stores and agencies in the territory.

Sec. 14. (1) When an election is held in an entire county and the majority of the votes cast at this election are opposed to the sale of alcoholic liquors in the county, no state stores or agencies shall be operated in that county.

(2) If at an election for an entire county the majority of the votes are in favor of permitting the sale of alcoholic liquors, the vote shall not operate to permit the sale of alcoholic liquor in any territorial division of the county which has previously voted not to permit the sale of alcoholic liquors in such division, and the status of that division shall remain as if no county election had been held.

Sec. 15. Alcoholic liquors, shall not be sold under the Kentucky Liquor Control Commission in any territory which is "dry" territory at the time this chapter takes effect, by virtue of local option elections held under former statutes, until such territory, at an election held under this Article, votes in favor of permitting such sale. In any territory in which a local option election has been held under former statutes, no election may be held under this Article until the expiration of three years from such previous election.

ARTICLE VI

Sec. 1. The provisions of this chapter shall not prevent:

(1) A person from keeping and possessing alcoholic liquors in his residence for the personal use of himself, his family, his servants or his guests if such alcoholic liquors shall have been lawfully acquired by him;

(2) A person, his family, or servants from giving or serving such alcoholic liquors to guests in said residence, when such gift or service is not for the purpose of evading the provisions of this chapter.

Sec. 2. The provisions of this chapter shall not prevent:

(1) A person from manufacturing wine at his residence for consumption at his residence as permitted by section one of this article;

(2) A person from manufacturing and selling unfermented cider;

(3) A person from manufacturing and selling cider made from apples produced by him within this state, to persons holding distillery licenses, but such manufacture and sale shall be under the supervision and regulation of the commission;

(4) A person from manufacturing and selling wine made from fruit produced by him within this state to persons holding winery licenses, but such manufacture and sale shall be under the supervision and regulation of the commission.

Sec. 3. The provisions of this chapter relating to state monopoly shall not apply to ethyl alcohol used:

(1) For scientific, chemical, mechanical or industrial purposes.

(2) By those authorized to procure ethyl alcohol tax-free under the Acts of Congress and regulations thereunder.

(3) In the manufacture of denatured alcohol produced and used as provided by the Acts of Congress and regulations thereunder.

(4) In the manufacture of scientific, chemical, mechanical and industrial preparations or products unfit for beverage purposes. Nothing in this section shall be so construed as to exempt such users of ethyl alcohol from the license and transportation provisions of this chapter.

Sec. 4. The provisions of this chapter shall not prevent a person from manufacturing, selling delivering or shipping:

(1) Any medicine containing sufficient medication to prevent its use as a beverage;

(2) Any medical preparation manufactured in accordance with formulas prescribed by the United States Pharmacopeia and National Formulary, patent and proprietary preparations, and other bona fide medical and technical preparations, which are manufactured and sold to be used exclusively as medicine and not as beverage, and the sale of which does not now require the payment of a United States liquor dealer's tax;

(3) Toilet, medicinal and antiseptic preparations not intended for internal human use nor for beverage purposes;

(4) Any food products known as flavoring extracts manufactured and sold for cooking and culinary purposes only and not for beverage purposes;

(5) Any confectionery containing alcohol derived solely from the use of flavoring extracts.

Nor shall such provisions prevent pharmacists, or retail druggists or drug stores employing a duly licensed pharmacist, from purchasing or causing to be shipped to their place of business ethyl alcohol for use in compounding or manufacturing any of the medical or other preparations enumerated in this section, as provided in section six of Article Four of this chapter.

Sec. 5. The provisions of this chapter shall not prevent:

(1) A physician from prescribing the use of alcoholic liquors when necessary for a bona fide patient;

(2) A druggist from selling, upon a prescription properly issued by a physician, alcoholic liquors for medicinal purposes;

(3) A physician, dentist, or veterinarian, in the legitimate practice of his profession, from using and administering alcoholic liquors;

(4) Hospitals, sanitariums, or that division of any institution which is regularly conducted as a hospital, dispensary or infirmary, from using or administering alcoholic liquors to bona fide patients. Institutions and the divisions thereof provided in this section may carry a stock of alcoholic liquors sufficient for this purpose;

(5) Religious organizations from using wine for sacramental purposes.

Sec. 6. The provisions of this chapter shall not prevent a person from bringing into or transporting in this state, in his possession or in his baggage, and not for resale, alcoholic liquors in a quantity not to exceed three gallons.

Sec. 7. A person shall not:

(1) Manufacture or sell in this state without a license any alcoholic liquor except as permitted by this chapter;

(2) Aid or abet in the manufacture or sale of alcoholic liquor without a license except as permitted by this chapter;

(3) Sell without a license any alcoholic liquor by the addition of any drug, methyl alcohol, crude, unrectified or impure form of ethyl alcohol, or other foreign or deleterious substance or liquid;

(4) Refill, with alcoholic liquor, any bottle or other container in which alcoholic liquor has been sold at retail in this state;

(5) Advertise any alcoholic liquor in this state except in accordance with the rules and regulations of the commission;

(6) Distribute, deal in, posses, or use crowns, stamps or seals required under the authority of this chapter, except in accordance with the rules and regulations prescribed by the commission.

(7) Any person who violates any provision of this section shall be fined not less than fifty dollars nor more than five hundred dollars, or confined in jail not less than thirty days nor more than one year, or both so fined and imprisoned, for the first offense. Upon conviction of a second or subsequent offense, he shall be confined in the penitentiary for not less than one year nor more than three years.

Sec. 8. A licensed person shall not:

(1) Sell alcoholic liquors of a kind other than that which such license or this chapter authorizes him to sell;

(2) Sell beer to which wine, spirits, or alcohol has been added;

(3) Sell wine to which other alcoholic spirits have been added, otherwise than as required in the manufacture thereof under regulations of the commission;

(4) Sell alcoholic liquors to a person specified in section twenty-two of Article Three of this chapter;

(5) Sell alcoholic liquors except as authorized by his license;

(6) Sell any alcoholic liquor when forbidden by the provisions of this chapter;

(7) Keep on the premises covered by his license alcoholic liquor other than which he is authorized to sell by such license or by this chapter. A person who violates any provision of this section shall be fined not less than fifty dollars nor more than five hundred dollars, or confined in jail not less than thirty days nor more than one year, or both so fined and imprisoned, for the first offense. Upon conviction of a second or subsequent offense, he shall be confined in the penitentiary for not less than one year nor more than three years.

Sec. 9. A person shall not:

(1) Appear in a public place in an intoxicated condition;

(2) Drink alcoholic liquors in a public place;

(3) Drink alcoholic liquor in a motor vehicle on a highway, street, alley or in a public garage;

(4) Tender a drink of alcoholic liquor to another person in a public place;

(5) Possess alcoholic liquor in an amount in excess of three gallons, in containers not bearing stamps or seals of the commission, without having first obtained written authority from the commission therefor;

(6) Possess any alcoholic liquor which was manufactured or acquired in violation of the provisions of this chapter.

Any person who violates subsection one, two, three or four of this section shall be fined not less than five dollars nor more than one hundred dollars, or confined in jail not more than sixty days, or both so fined and imprisoned. Any person who violates subsection five or six of this section shall be fined not less than one hundred dollars nor more than five hundred dollars, or confined in jail not less than sixty days nor more than twelve months, or both so fined and imprisoned, and upon conviction of a second or subsequent offense he shall be confined in the penitentiary for not less than one year nor more than three years.

Sec. 10. A person who unlawfully owns, operates, or maintains a plant for the manufacture of distilled spirits, or aids or abets in the operation or maintenance of such a plant, shall be fined not less than one hundred dollars nor more than one thousand dollars, or confined in the penitentiary not less than one nor more than five years.

Sec. 11. A person who, while engaged in the unlawful manufacture, transportation or sale of alcoholic liquors, or while aiding or assisting in any such acts, has in his actual or constructive possession a firearm or other lethal weapon, shall be confined in the penitentiary not less than one nor more than ten years.

Sec. 12 (1) The commission may adopt regulations governing the transportation of alcoholic liquors, lawfully acquired, within, into or through the state in quantities in excess of three gallons, as it may deem necessary to confine such transportation to legitimate purposes, and may issue transportation permits in accordance with such regulations, collect a fee therefor, and shall require each person to whom such a permit is issued to furnish a bond in such form and amount and with such surety as the commission shall direct, conditioned that he will exercise the privileges granted by such permit in conformity with the

provisions of this chapter and the regulations of the commission, or in default thereof forfeit to the state the sum of one hundred dollars for each breach, recoverable by motion upon ten days' notice in any court having jurisdiction of the parties.

(2) A person who, without authorization under this chapter, transports alcoholic liquors in quantities in excess of three gallons or in any amount for the purpose of sale or in any amount manufactured or acquired contrary to the provisions of this chapter, shall be fined not less than one hundred dollars nor more than five hundred dollars, or confined in jail not to exceed one year, or both so fined and imprisoned, for the first offense. Upon conviction of a second or subsequent offense he shall be confined in the penitentiary for not less than one nor more than three years.

Sec. 13. Except as permitted by section six of this article, a person shall not import into, or transport in this state, any alcoholic liquors, unless it is:

(1) Consigned to the commission;

(2) Transported or shipped upon the direction of the commission directly to persons licensed to receive alcoholic liquors at wholesale; or

(3) Transported or shipped into or through the state to persons outside the state upon transportation permits issued by the commission.

Sec. 14. A person who violates any order, rule or regulation of the commission made under the authority of this chapter, or who violates any provision of this chapter for which punishment has not been specifically provided, shall be fined not less than ten dollars nor more than five hundred dollars, or confined in jail not less than five days nor more than six months, or both so fined and imprisoned. If, by the provisions of this chapter, conflicting penalties are prescribed for an offense, the section providing for the heavier penalty shall control.

Sec. 15. (1) A place where alcoholic liquors is manufactured, sold, stored, possessed, given away, or furnished contrary to law shall be deemed a common and public nuisance. Boats, cars (including railroad and traction passenger cars operating in this state), automobiles, wagons, water and air craft,

beasts of burden, or vehicles of any kind shall be deemed places within the meaning of this section and may be proceeded against under the provisions of section 16 of this article. A person who shall maintain, or shall aid or abet or knowingly be associated with others in maintaining such common and public nuisances, shall be punished by a fine of not less than one hundred dollars nor more than five hundred dollars, or by confinement in jail not less than sixty days nor more than six months, for each offense, and judgment shall be given that such nuisance be abated or closed as a place for the manufacture, sale, storage, possession, giving away, or furnishing contrary to law of alcoholic liquor, as the court may determine.

(2) If two or more persons conspire to maintain such common and public nuisance, or to distill, manufacture, store, transport, sell, give away, or furnish alcoholic liquor in violation of any of the provisions of this chapter, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be punished by a fine of not less than one hundred dollars nor more than five hundred dollars, or by confinement in jail for not less than one month nor mo than six months or by both such fine and imprisonment.

Sec. 16. The commission, its agents, the Attorney General, the Commonwealth's or county attorney, or a citizen of the county or municipality where a nuisance as defined in section 15 of this article is located, may maintain a suit in equity in the circuit court, in the name of the state, to abate and perpetually enjoin the same. The injunction may be granted at the commencement of the suit and no bond shall be required. On, the finding that the material allegations of the petition are true, the court or the judge thereof in vacation shall order the injunction for such period of time as it or he may think proper, with the right to dissolve the injunction upon the application of the owner of the place, if proper case is shown for such dissolution. The continuance of the injunction as provided in this section may be ordered, although the place complained of may not at the time of hearing be unlawfully used.

Sec. 17 (1) If there be complaint on oath or affirmation supported by affidavit setting forth that alcoholic liquors are being manufactured, sold, kept, stored or in any manner held,

used or concealed in a particular house or other place in violation of law, the justice of the peace, or circuit or county judge, to whom such complaint is made, is satisfied that there is a probable cause for such belief, shall issue a warrant to search such house or other place for alcoholic liquors. Such warrants, except as herein otherwise provided, shall be issued, directed and executed in accordance with the laws of Kentucky pertaining to search warrants.

(2) Warrants issued under this chapter for the search of any automobile, boat, conveyance or vehicle, or for the search of any trunk, grip or other article of baggage, for alcoholic liquor, may be executed in any part of the state where the same are overtaken, and shall be made returnable before any justice of the peace or circuit or county judge within whose jurisdiction such automobile, boat, conveyance, vehicle, trunk, grip or other article of baggage, or any of them, were transported or attempted to be transported contrary to law.

(3) An officer charged with the execution of a warrant issued under this section may, whenever it is necessary, break open and enter a house or other place herein described.

Sec. 18. All stills and distilling apparatus and material for the manufacture of the same, and all alcoholic liquors, and materials used in the manufacture of alcoholic liquors, and all containers in which alcoholic liquors may be found, which are kept, stored, possessed or in any manner used in violation of the provisions of this chapter, shall be deemed contraband and shall be forfeited to the state.

Sec. 19. (1) A conveyance of any kind, either on land, water, or in the air, used for the transportation of alcoholic liquors in violation of section twelve of this article, shall be deemed contraband and shall be forfeited to the state and proceeded against in the manner provided for confiscation by section twenty of this article.

(2) Any such conveyance forfeited to the state under the provisions of this section shall be turned over to the commission, which may retain the same for public use in the administration and enforcement of this chapter. If it has no need for the conveyance, it may order its destruction or sale.

(3) The net proceeds of sales made under this section shall be paid into the State Treasury in the manner prescribed for receipts from state stores and agencies.

Sec. 20. Proceedings for confiscation of articles, conveyances or vehicles declared contraband and forfeited to the state under section 19 shall be had in the circuit court, either in vacation or term time, in the county where such articles, conveyances or vehicles were seized, and the procedure shall be as follows:

(1) When such articles, conveyances or vehicles have been seized under or without a warrant provided for in section 17 of this article, by an officer charged with the enforcement of this chapter, the officer shall take possession of such article, conveyance or vehicle and deliver the same and the alcoholic liquors so seized to the sheriff of the county in which such seizure was made, taking his receipt therefor in duplicate.

(2) The officer making such seizure shall forthwith report in writing of such seizure to the county attorney of the county in which such seizure was made and to the commission.

(3) Within not less than ten days nor more than sixty days after receiving notice of any such seizure, the county attorney for the county shall file, in the name of the state, a petition against the seized property, in the clerk's office of the circuit court of the county, returnable to the circuit court, which petition shall be filed by the clerk without fee and may be heard by the court or judge thereof in vacation.

(4) Such petition shall allege the seizure, and set forth in general terms the grounds of forfeiture of the seized property, and shall pray that the same be forfeited to the state and the proceeds disposed of according to law, and that all persons concerned or interested may appear and show cause why said property should not be forfeited to the state.

(5) The owner of and all persons in any manner then indebted or liable for the purchase price of said property, and any person having a lien thereon, if they be known to the county attorney, shall be made parties defendant thereto, and shall be served with the notice issued by the clerk of such court, hereinafter provided for, in the manner provided by law for serving

a notice, at least ten days before the day therein specified for the hearing on said petition, if they be residents of this state, and, if they be unknown or non-residents, or cannot with reasonable diligence be found in this state, they shall be deemed sufficiently served by publication of said notice once a week for two successive weeks in some newspaper published in said county, or, if none be published therein, then in some newspaper having a general circulation therein.

(6) Any person claiming to be the owner of such seized property, or to hold a lien thereon, or have an interest therein, may appear at any time before final judgment of the trial court, and be made a party defendant to the petition so filed, which appearance shall be by answer, under oath, in which shall be clearly set forth the nature of such defendant's claim or interest.

(7) If the court or judge thereof in vacation shall find that illegally acquired alcoholic liquors or alcoholic liquors being illegally transported in amounts in excess of three gallons, were not found in such conveyance or vehicle at the time of the seizure thereof, the judgment of the court shall be to entirely relieve said property from forfeiture, and no costs shall be taxed against such claimant.

(8) If the court or judge thereof in vacation trying the issue shall find or if it be admitted that said conveyance or vehicle at the time of the seizure contained illegally acquired liquor or that alcoholic liquors were being illegally transported therein, nevertheless:

(a) If it shall appear to the satisfaction of the court that such claimant is the bona fide owner and was such owner at the time of such seizure and that he was ignorant of such illegal use thereof and the illegal use was without his connivance or consent, express or implied, the court shall relieve said conveyance or vehicle from forfeiture and restore it to such claimant, and no cost shall be taxed against such claimant.

(b) If it shall appear to the satisfaction of the court that such claimant is the holder of a bona fide lien against the property and was the holder of such lien at the time of such seizure and that he was ignorant of such illegal use thereof, or the use so made of such conveyance or vehicle was without his connivance or consent, express or implied, and that the claimant

has perfected his lien, the court shall, if the lien so established is equal to or more than the value of the conveyance or vehicle, direct the delivery of such conveyance or vehicle to the lienor upon the payment of storage and cost, or, if the lien is less than the value of the conveyance or vehicle, the lienor may have said conveyance or vehicle delivered to him upon payment of the difference in amount as determined in such proceedings; but shall the lienor not demand delivery as aforesaid, an order shall be made for the sale of said property by the sheriff of the county, in the manner prescribed by law for sale of personal property under execution, out of the proceeds of which sale shall be paid, first, the storage, if any, second, the cost, third, the lien, and the residue, if any, shall be paid to the commission.

(9) If no valid lien or claim is established against the seized property upon the trial of the petition or if it shall be determined that the owner thereof was himself using the same at the time of the seizure or that such illegal use was with his knowledge or consent, express or implied, the property shall be completely forfeited to the state and turned over to the commission in accordance with the provisions of this chapter.

(10) In every case, the alcoholic liquors so seized shall be deemed contraband and forfeited to the state as heretofore provided.

Sec. 21. No action shall be maintained to recover the price of alcoholic liquor sold in violation of the provisions of this chapter, except that the state or the commission may recover from any person the price of any alcoholic liquor purchased by him in violation of this chapter, and from any person who may have sold alcoholic liquors in violation of the provisions of this chapter, the consideration received by him therefor.

ARTICLE VII

Sec. 1. As used in KRS 243.680 to 243.707, "distilled Spirits" has the same meaning as is given to "spirits" by section one of Article I of this chapter, and "Department" means the Department of Revenue.

Sec. 2. (1) Any person who violates any of the provisions of KRS 243.680 to 243.700 shall be fined not less than five hundred dollars nor more than one thousand dollars.

(2) Any person who fails to pay the taxes imposed by KRS 243.680 to 243.700 within fifteen days after they have become due, shall pay a penalty of twenty percent on the amount of the tax due.

Sec. 3. Section 25.010 of the Kentucky Revised Statutes amended to read as follows:

Except as provided in KRS 167.990 and 199.990, county, quarterly and justices' courts have jurisdiction exclusive of circuit courts in all penal and misdemeanor cases where the punishment is limited to a fine of not more than twenty dollars, and jurisdiction concurrent with circuit courts of all penal and misdemeanor cases where the punishment is limited to a fine of not more than five hundred dollars, or imprisonment for not more than twelve months, or both.

Sec. 4. Section 26.010 of the Kentucky Revised Statutes is amended to read as follows:

Except as provided in KRS 167.990 and 199.990, police courts in cities of every class have jurisdiction exclusive of circuit courts in all penal and misdemeanor cases where the punishment is limited to a fine of not more than twenty dollars, jurisdiction concurrent with circuit courts of all penal and misdemeanor cases where the punishment is limited to a fine of not more than five hundred dollars, or imprisonment not exceeding twelve months, or both, and exclusive jurisdiction of all violations of city ordinances, occurring within the city limits.

Sec. 5. Section 15.130, subsection (2) of section 61.170, and sections 124.200, 241.010 to 241.990, 242.010 to 242.990, 243.010 to 243.670, 243.710 to 243.990, and 244.010 to 244.990, of the Kentucky Revised Statutes, are repealed.

Sec. 6. In order to place this chapter in effective operation, there shall be advanced to the Kentucky Liquor Control Commission, out of the General Expenditure Fund in the State Treasury, for the fiscal year 1950-1951, the sum of six hundred fifty thousand dollars. Such sum shall be credited to the operating fund provided for in Section 18 of Article III of this Chapter and shall become a part of such fund and remain available for expenditure as provided in that section, except that when a

sufficient sum has been accumulated by the commission, out of operating receipts, to meet the requirements of Section 19 of Article III of this chapter, the sum so advanced shall be repaid to the General Expenditure Fund.

Sec. 7. In order to give present retail and wholesale licensees an opportunity to dispose of their stocks and close their businesses, this Act shall not take effect until July 1, 1951, except such portions of the Act as provide for the creation and organization of the Kentucky Liquor Control Commission, and as are necessary to enable the commission to prepare for the effective operation of the state monopoly system beginning as of July 1, 1951, including the purchase of the necessary stocks and the acquisition of the necessary personnel and facilities; as to such portions this Act shall take effect on July 1, 1950.

Ordered that said bills be printed and referred.

The Speaker announced that he had referred bills and resolutions heretofore introduced as follows, viz:

H. B. No. 1—Committee on Kentucky Statutes No. 2

H. B. No. 2—Committee on Kentucky Statutes No. 1

H. B. No. 3—Committee on Kentucky Statutes No. 1

H. B. No. 4—Committee on Ways and Means

H. B. No. 5—Committee on Appropriations

H. B. No. 6—Committee on Kentucky Statutes No. 2

H. B. No. 7—Committee on Alcoholic Control No. 1

H. B. No. 8—Committee on Education No. 1

H. B. No. 9—Committee on Kentucky Statutes No. 1

H. B. No. 10—Committee on Kentucky Statutes No. 2

H. B. No. 11—Committee on Constitutional Amendments

H. B. No. 12—Committee on Kentucky Statutes No. 1

H. B. No. 13—Committee on Kentucky Statutes No. 1

H. B. No. 17—Committee on Cities of Third Class

H. B. No. 18—Committee on Appropriations

H. B. No. 19—Committee on Ways and Means

H. B. No. 20—Committee on Suffrage and Elections

H. B. No. 21—Committee on Kentucky Statutes No. 1

H. B. No. 22—Committee on Cities of Second Class

H. B. No. 23—Committee on Cities of Third Class

H. B. No. 24—Committee on Kentucky Statutes No. 1

H. B. No. 25—Committee on Ways and Means

H. B. No. 26—Committee on Kentucky Statutes No. 1

H. B. No. 27—Committee on Cities of Second Class

H. B. No. 28—Committee on Veterans' Legislation

H. B. No. 29—Committee on Kentucky Statutes No. 1

H. B. No. 30—Committee on Codes and Practice

H. B. No. 31—Committee on Kentucky Statutes No. 1

H. B. No. 32—Committee on Revenue and Taxation No. 1

H. B. No. 33—Committee on Education No. 2

H. B. No. 34—Committee on Motor Transportation No. 1

H. B. No. 36—Committee on Kentucky Statutes No. 2

H. B. No. 37—Committee on Courts

H. B. No. 38—Committee on Kentucky Statutes No. 1

H. B. No. 42—Committee on Ways and Means

H. B. No. 43—Committee on Codes and Practice

H. B. No. 44—Committee on Suffrage & Elections

H. B. No. 45—Committee on Revenue & Taxation No. 1

H. B. No. 46—Committee on Courts

H. B. No. 47—Committee on Revenue and Taxation No. 1

H. B. No. 48—Committee on Public Utilities No. 1

H. Res. No. 4—Committee on Appropriations

H. Res. No. 5—Committee on Claims

H. Res. No. 6—Committee on Appropriations

H. Res. No. 7—Committee on Claims

H. Res. No. B—Committee on Kentucky Statutes No. 1

Mr. Hanratty moved that the House do now adjourn to meet again at 8 o'clock, p.m., Monday, January 16, 1950.

Said motion was agreed to.

And then the House adjourned.

MONDAY, JANUARY 16, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend E. W. Baxter, pastor of the Church of the Ascension, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	Charles W. Burnley	John A. Head
Bill Adams	Alex Calvert	Harold G. Helm
Edgar Arnett	Stanley Carter	William K. Henry
Sidney Baer	Paul Combs	E. R. Hilton
Walter J. Bailey	Josh R. Cosby	Ray Holbrook
Clarence J. Barnum	B. H. Crider	Woodrow W. Hollan
C. E. Baumgardner	Owen Deering	Chester J. Holsclaw
Leonard T. Bean	G. I. Drury	W. M. Horn, Jr.
John D. Beatty	Thomas R. Duncan	Richard R. Houpt
Fred Beshear	Roscoe C. Estepp, Sr.	Durham W. Howard
L. E. Bradley	Mitchell S. Fannin	Maurice G. Howard
Edward O. Bridgers	Henry C. Hale	Robert N. Hubbard
Thomas L. Britton	Chester A. Hammons	Silas Jacobs
Charles J. Bronston	James P. Hanratty	Paul S. Jonas
J. D. Buckman, Jr.	George F. Harris	Barkley Jones
Mrs. Mary E. Burnett	Paul E. Hayes	William Jones

James W. Lambert
Jesse H. Lawrence
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
Harry K. Lowman
True Mackey
Damon Majors
John Martin
William T. Marshall
Jack McPherron
Alton Mitchell
Archie R. Moore
Emmett G. Moore
Walter R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
James H. Polsgrove
W. R. Reasor
Carl J. Ruh
Amos Runyan
Dr. Roy Sanders
LeRoy Saylor
Roy Searcy
Paul E. Shannon
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spaulding
J. Claude Stacy
Roy Steers
Raymond D. Stigall
Mrs. Thelma Stovall
W. R. Stringer
Egbert V. Taylor
M. G. Thompson
Rev. T. H. Tinsley
Ralph N. Walter
Fred M. Warns
Lyle H. Webb
G. F. Williamson
Charles W. Wirsch
Adron Doran, Speaker

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Mr. Harris moved that the reading of the Journal of the proceedings of Friday, January 13, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Losey moved that the rules be suspended and the privilege of the floor extended to Messrs. Ernest Farris, Milton Stephens and Kenneth Back.

Said motion was unanimously agreed to.

Mr. McPherron moved that the rules be suspended and the privilege of the floor extended to Mr. N. M. Alexander.

Said motion was unanimously agreed to.

Mr. Polsgrove moved that the rules be suspended and the privilege of the floor extended to Mr. and Mrs. Ephriam K. Lawrence, Jr., Mr. and Mrs. William Friedlander and Mr. James Patrick Meagher.

Said motion was unanimously agreed to.

Mr. Hollan moved that the rules be suspended and the privilege of the floor extended to Mr. Sheeman Combs.

Said motion was unanimously agreed to.

Mr. McPherron moved that the rules be suspended and the privilege of the floor extended to Mr. E. A. Gafford.

Said motion was unanimously agreed to.

Mr. Lowman moved that the rules be suspended and the privilege of the floor extended to Mr. Ford Helton and Mr. Gus May.

Said motion was unanimously agreed to.

Mr. Burnley moved that the rules be suspended and the privilege of the floor extended to Mrs. Arthur Rudig.

Said motion was unanimously agreed to.

Mr. Searcy moved that the rules be suspended and the privilege of the floor extended to Mr. Max Carlisle.

Said motion was unanimously agreed to.

Mr. Beatty moved that the rules be suspended and the privilege of the floor extended to Mrs. John Head.

Said motion was unanimously agreed to.

Mr. Steers moved that the rules be suspended and the privilege of the floor extended to Mr. Jesse Thomas.

Said motion was unanimously agreed to.

Mr. Majors moved that the rules be suspended and the privilege of the floor extended to Mr. Herbert Sims.

Said motion was unanimously agreed to.

Mr. Steers moved that Penny Martin be made an Honorary Page for the day.

Said motion was unanimously agreed to.

Mr. Steers moved that the rules be suspended and the privilege of the floor extended to Mr. William Martin and Miss Wanda Martin.

Said motion was unanimously agreed to.

Bills of the following titles were introduced, viz:

By Mr. Smith.

H. B. No. 72. AN ACT relating to judicial sales, amending Section 426.560 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 426.560 of the Kentucky Revised Statutes is amended to read as follows:

In addition to the notices now required by statute to be posted, all public sales of any kind of property sold under execution, judgment or decree, shall, unless otherwise agreed upon by the parties, be advertised in a newspaper of bona fide circulation published in the county of the sale at least once a week for one, two or three consecutive weeks next preceding the day of the sale, the number of weeks to be determined by the court under whose execution, judgment or decree the property is being sold. In counties where there is a daily newspaper published or in general circulation, publication of the notice of sale for three consecutive days next preceding the day of sale shall be sufficient. The advertisement shall state the time, place and terms of sale and describe the property to be sold. The newspaper advertisement shall not be necessary where the appraised value of the property to be sold is less than one hundred dollars.

H. B. No. 73. AN ACT relating to landlord and tenant, amending Section 383.140 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 383.140 of the Kentucky Revised Statutes is amended to read as follows:

A tenancy at will may be terminated by the landlord giving one month's notice, in writing, to the tenant requiring him to remove.

By Dr. Sanders and Mr. Runyan.

H. B. No. 74. AN ACT imposing license taxes upon certain business operations involving the use of motor vehicles in this state by nonresidents, and appropriating the revenue therefrom; setting forth certain restrictions upon the registration and licensing of motor vehicles by nonresidents, to enable enforcement of the Act; and providing for penalties.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No nonresident person shall engage in this state, in the business of selling and delivering, either at wholesale or retail, any merchandise of whatever kind or description, from a motor vehicle used to transport the merchandise from place to place, without having a license issued under this Act, for each vehicle operated, authorizing the carrying on of such business.

Sec. 2. Licenses under this Act shall be valid for a license year beginning on July 1 and ending on June 30 following, and the fee for a license shall be $250 for any license year or fraction thereof, for each motor vehicle operated.

Sec. 3. (1) The licenses, including the applications therefor, provided for by this Act, may be obtained from any county court

clerk, and shall be issued only on forms prepared and furnished by the Department of Revenue.

(2) No license shall be valid unless it is issued upon the forms furnished for that purpose by the Department of Revenue, and no county court clerk shall issue any license except upon such forms, and under the seal of the county court.

Sec. 4. (1) The Department of Revenue shall keep a strict account against each county court clerk of the license forms furnished him under Section 3, and each clerk shall annually account for all license forms furnished him by the department. The clerk shall account for all moneys received and license forms furnished him as required by the department.

(2) The county court clerk shall be paid, by the person procuring the license, the one dollar fee provided in KRS 64.010. The clerk shall pay to the Department of Revenue, by the tenth of each month, all money collected under this Act during the month previous. At the time he pays the money the clerk shall send such reports as are required by the department.

Sec. 5. In order that this Act may effectively be enforced, no person actually residing outside of this state shall be issued a Kentucky registration certificate or license plates for any motor vehicle, unless he has filed with the issuing clerk a sworn statement that the vehicle will not be used for the purposes described in Section 1 of this Act.

Sec. 6. (1) Any person who violates Section 1 of this Act shall be fined $200 for each offense.

(2) Any person who makes a false or fraudulent statement in connection with an application for the license required by Section 1 of this Act, or in connection with an application for a registration certificate and license plates for a motor vehicle shall be fined $200 for each offense.

(3) Any person who uses a motor vehicle for the purposes described in Section 1 of this Act after having filed a sworn statement that the vehicle would not be so used, as provided in Section 5 of this Act, shall be fined $200 for each offense.

(4) Any county court clerk who violates any of the provisions of this Act shall be fined $200 for each offense.

Sec. 7. The revenue received from the license fees paid under this Act during each fiscal year hereby is appropriated to the Common School Per Capita Fund for such year. This appropriation is intended to be in addition to any other appropriations made by law to such fund.

By Mr. Fannin.

H. B. No. 75. AN ACT relating to Judicial Districts; creating an additional district and making changes in the apportionment of counties to the Twenty-eighth and Twenty-ninth Judicial Districts in order to comply with the meaning and intent of the Constitution with respect to the division of the State into Judicial Districts; providing for continuation in office of the present Circuit Judges and Commonwealth's Attorneys and creating the offices of Circuit Judge and Commonwealth's Attorney for the new district established by this Act; and providing for the holding of Court in each district affected by this Act.

Said bill is as follows, viz:

WHEREAS, the General Assembly has given due regard to the elements of territory, business and population involved in the division of the State into judicial districts; and

WHEREAS, with such due regard, the General Assembly has found the following facts to exist:

1. That the entire population of the state as of the last preceding Federal census, is 2,845,627.

2. That upon the basis of such population, additional judicial districts may be established to those now existing, pursuant to Sections 128, 132, and 138 of the Constitution.

3. That it will be convenient and advantageous from the standpoint of territory, and will comply with the spirit and intent of the Constitution with respect to population and expedite the business of the courts in the counties involved, to create a new judicial district to consist of the Counties of Clinton, Russell and Wayne, and to change the Twenty-eighth and Twenty-ninth Judicial Districts so they will consist of the following facts to exist:

Twenty-eighth District – Pulaski and Rockcastle.

Twenty-ninth District – Adair, Casey, Cumberland and Monroe.

NOW, THEREFORE:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Twenty-eighth and Twenty-ninth Judicial Districts shall hereafter be composed of the following counties:

Twenty-Eighth District – Pulaski and Rockcastle

Twenty-Ninth District – Adair, Casey, Cumberland and Monroe.

Sec. 2. A new judicial district is established to be numbered the Fortieth Judicial District and to consist of the Counties of Clinton, Russell and Wayne.

Sec. 3. The present circuit judges and Commonwealth's Attorneys for the Twenty-Eighth and Twenty-Ninth Judicial Districts, as now constituted, shall retain their respective offices, for the terms for which they were elected, for the said districts as they have been changed under this Act.

Sec. 4. The offices of circuit judge and Commonwealth's Attorney for the new judicial district established by this Act, being the Fortieth Judicial District, are hereby created. Until the regular election for circuit judge and Commonwealth's Attorney in 1951, said offices shall be filled as provided in Section 152 of the Constitution for offices in which there is a vacancy.

Sec. 5. The regular term of each court in the judicial districts dealt with by this Act shall commence in each county at the following named times, and continue, if the business requires it, the number of days hereinafter prescribed:

Twenty-Eighth District. Pulaski County, at Somerset, on the second Monday in January, thirty-six (36) juridical days; on the second Monday in April, forty-eight (48) juridical days; on the third Monday in July, twenty-four (24) juridical days; and on the third Monday in October forty-eight (48) juridical days.

Rockcastle County, at Mt. Vernon, on the fourth Monday in February, the third Monday in June, and second Monday in September, twenty-four (24) juridical days each.

Twenty-Ninth District. Adair County, at Columbia, on the first Monday in February, the fourth Monday in May, and the fourth Monday in September, eighteen (18) juridical days each.

Casey County, at Liberty, on the first Monday in March, the third Monday in June, and the third Monday in October, eighteen (18) juridical days each.

Cumberland County, at Burkesville, on the fourth Monday in March, the second Monday in July, and the second Monday in November, eighteen (18) juridical days each.

Monroe County, at Tompkinsville, on the fourth Monday in April, the first Monday in September, and the first Monday in December, eighteen (18) juridical days each.

Fortieth District. Clinton County, at Albany, on the second Monday in January, on the fourth Monday in April, and on the first Monday in September, eighteen (18) juridical days each.

Russell County, at Jamestown, on the second Monday in February, on the fourth Monday in May, and on the first Monday in October, twenty-four (24) juridical days each.

Wayne County, at Monticello, on the third Monday in March, on the first Monday in July, and on the second Monday in November, twenty-four (24) juridical days each.

Sec. 6. This Act shall take effect on August 28, 1950.

By Mr. Love.

H. B. No. 76. AN ACT proposing an amendment to the

Constitution of the Commonwealth of Kentucky relating to the payment of a bonus to war veterans and the imposition of additional taxes to enable such payment.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Constitution of the Commonwealth of Kentucky is hereby proposed to be amended by the enactment of a new section of the Constitution, which, subject to perfection as hereinafter provided in this Act, shall read as follows:

> The General Assembly shall have authority to provide for the payment of a bonus not to exceed $ for a person having served beyond the continental limits of the United States, and not to exceed $ for any other person, to veterans of World War I and World War II, under such terms and conditions and subject to such qualifications as the General Assembly may prescribe. For the purpose of providing funds to enable such payments, the General Assembly may levy upon and impose the following tax or taxes:

Sec. 2. In submitting this amendment to the voters the following questions shall be placed upon the ballot, with appropriate squares in which the voter may vote "Yes" or "No" on Question No. 1 and may vote "Yes" on one or more of the respective parts of Questions Nos. 2 and 3:

> 1. Are you in favor of the payment of a bonus by the state to veterans of World War I and World War II, to be in one of the respective amounts and to be financed through one or more of the taxes designated below?
>
> 2. If you have voted "Yes" on Question No. 1, then indicate by stencil mark in the "Yes" square, which one or more of the following methods you favor to enable payment of the bonus:
>
> A. The levy of a general sales Tax?
>
> B. The levy of a gross receipts tax?

C. The levy of a coal severance tax?

D. The levy of an increased tax on sale or use of cigarettes?

E. The levy of an increased property tax?

3. If you have voted "Yes" on Question No. 1 and have voted "Yes" on one or more of Question 2A, 2B, 2C, 2D, and 2E, then indicate by stencil mark in the "Yes" square opposite **one** of the amounts in group A and **one** of the amounts in Group B, below, what sums you favor as a maximum bonus:

Group A. Persons having served beyond the continental limits of the United States:

$ 500?
$ 750?
$1,000?

Group B. Persons whose service was wholly within the continental limits of the United States:

$250?
$500?
$750?

Sec. 3. If any ballot is voted "No" on Question No. 1, or is not voted as to Question No. 1, it shall be counted as against the entire amendment, even though the ballot may be voted "Yes" on one or more of the parts of Question No. 2 or 3. If any ballot is voted "Yes" on Question No. 1, but is not voted "Yes" on at least one of the parts of Question No. 2, it shall be counted as against the entire amendment. If any ballot is voted "Yes" on one or more of the parts of Question No. 2, it shall be counted as favoring the tax mentioned in each part so voted. If any ballot is voted "Yes" on more than one of the sums mentioned in Group A or Group B of Question No. 3, it shall be counted for the highest sum so voted. If any ballot is not voted as to any of the sums in either Group A or Group B of Question No. 3 it shall be counted as favoring the lowest sum in the respective groups.

Sec. 4. If a majority of the votes cast for and against the amendment, as determined by the votes on Question No. 1 in accordance with the provisions of Section 3 of this Act, are for

the amendment, the amendment shall become a part of the Constitution, as prescribed by Sec. 256, of the Constitution, with the following perfections:

(1) The first blank in the proposed amendment as set forth in Section 1 of this Act shall be deemed to have been completed by the insertion of the sum designated in Group A of Question No. 3 for which the highest number of votes were cast.

(2) The second blank in the proposed amendment as set forth in Section 1 of the Act shall be deemed to have been completed by the insertion of the sum designated in Group B of Question No. 3 for which the highest number of votes were cast.

(3) The third blank in the proposed amendment as set forth in Section 1 of this Act shall be deemed to have been completed by the insertion of the name of such one of the taxes designated in Question No. 2 as was favored by the highest number of votes cast, and by the insertion of the name of such other of the taxes so designated as was favored by a majority of the votes cast in favor of the entire amendment.

Sec. 5 Subject to the provisions of this Act, this amendment shall be submitted to the voters at the time and in the manner provided for under Sections 256 and 257 of the constitution and Section 118.430 of the Kentucky Revised Statutes.

By Mr. Beatty.

H. B. No. 77. AN ACT relating to fireworks.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, "fireworks" means and includes any combustible or explosive composition, or any substance, or combination of substances, or article, prepared for the purpose of producing a visible or audible effect by combustion, explosion, deflagration or detonation, and shall include but not limited to blank cartridges, toy pistols, toy cannons, toy canes or

toy guns in which explosives are used, the type of balloons which require fire underneath to propel the same, firecrackers, torpedoes, skyrockets, Roman candles, Daygo bombs, sparklers, or other fireworks of like construction and any fireworks containing any explosives or flammable compound, or any tablets or other device containing any explosive substance.

Section 2. No person shall sell at retail, or offer, advertise or expose for sale at retail, or use or explode, any fireworks within this state. Provided, however, that in cities the chief of the fire department, or mayor or similar official where there is no fire department, and in counties outside of cities the county judge, shall have power to grant permits for supervised public displays of fireworks by municipalities, fair associations, amusement parks, and other organizations or groups of individuals. Every such display shall be handled by a competent operator to be approved by the public official by whom the permit is granted, and shall be of such character, and so located, discharged or fired as in the opinion of such official, after proper inspection, shall not be hazardous to property or endanger any person. Applications for permits shall be made in writing at least fifteen days in advance of the date of the display. After such privilege shall have been granted, sales, possession, use and distribution of fireworks for such display shall be lawful for that purpose only. No permit granted hereunder shall be transferable.

Section 3. No permit shall be issued under Section 2 of this Act unless the applicant shall give bond, deemed adequate by the official to whom application for the permit is made, in a sum not less than five hundred dollars, conditioned for the payment of all damages which may be caused thereby either to a person or to property by reason of the permitted display, and arising from any acts of the licensee, his agents, employes or subcontractors.

Section 4. Nothing in this Act shall prevent the retail sale and use of explosive or signaling flares used in the course of ordinary business or industry, or shells or cartridges used as ammunition in firearms, or blank cartridges for a show or theatre, or for signal or ceremonial purposes in athletics or sports, or for

use by military organizations, or the sale of any kind of fireworks provided the same are to be shipped by the seller directly out of the state.

Section 5. Any person violating the provisions of this Act, or who knowingly induces another, directly or indirectly, to violate the provisions of this Act, shall be fined not more than one hundred dollars, or imprisoned in the county jail for not more than twenty days, or both.

By Mr. Ruh.

H. B. No. 78. AN ACT relating to credits, on qualifying examinations for public office or employment, for physically handicapped persons.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Any physically handicapped person who, upon taking a qualifying examination provided for by law for any position of public employment or office, achieves a mark or grade not less than the minimum prescribed for passing the examination, shall have his mark or grade increased by five percent, except that in any case where a percentage credit on an examination is allowed by law to war veterans, the percentage credit allowed to a handicapped person on such examination shall be three-fifths of the credit allowed to war veterans. A handicapped person who is also a war veteran shall be entitled only to the war veteran credit, where the law provides for such a credit.

Sec. 2. As used in this Act, "physically handicapped person" means any person who is suffering from a physical disability of such character and extent as to constitute a ten percent disability under the standards established by the United States Veterans' Administration for war veterans, and for this purpose the standards so established are hereby recognized and adopted as standards for the administration of this Act. The agency which is responsible for conducting any qualifying examination for positions in public employment or office shall determine, ac-

cording to such standards, whether any applicant for examination constitutes a physically handicapped person, and the decision of such agency shall be final.

By Mr. Maurice G. Howard.

H. B. No. 79. AN ACT relating to the compensation and fees of coroners; amending Section 64.180 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 64.180 of the Kentucky Revised Statutes is amended to read as follows

(1) The coroner of each county shall be compensated by a salary of not less than $1800 per annum, to be fixed by the fiscal court and paid out of the county treasury.

(2) For holding an inquest on a dead body, the coroner may charge a fee of twelve dollars to be paid out of the estate of the deceased, and for all other services authorized by law to be performed by the coroner he may charge the same fees allowed to sheriffs and constables for similar services, but any and all fees collected by the coroner, including the fees mentioned in this subsection and any fees payable to the coroner under KRS 72.090, shall be paid into the county treasury for the use and benefit of the county.

H. B. No. 80. AN ACT relating to compensation and expenses of special judges of circuit courts; amending Section 23.290 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 23.290 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every special judge designated under KRS 23.230 or 23.250, or under subsection (2) of KRS 23.240, shall be paid for his services the sum of twenty-five dollars per day, and those designated under KRS 23.250 or under subsection (2) of KRS 23.240 shall be paid their actual expenses, not to exceed ten dollars per day, when acting outside the county of their residence. In computing the number of days services for which a special judge shall receive compensation, any special judge acting outside of the judicial district in which he resides shall be allowed one day for going to and one day for returning from the court over which he is designated to preside.

(2) Claims for such compensation and expenses shall be allowed and paid as provided by law for the payment of other claims against the Commonwealth, but before such claims are allowed by the Department of Finance, the amount thereof, the number of day's services rendered on the bench and the number of days going to and returning from the place where the court was held, together with a statement of expenses, shall be entered upon the Order Book of the court over which the special judge is designated to preside, signed by the special judge and attested by the Clerk of the Court, and the same shall be presented to and approved by the Chief Justice of the Court of Appeals.

By Mr. Losey.

H. B. No. 81. AN ACT relating to stenographers or clerks for county attorneys in certain counties; amending section 69.340 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 69.340 of the Kentucky Revised Statutes is amended to read as follows:

In all counties of this Commonwealth containing cities of the third or fourth class or fifth class, or a county containing a part of a third-class city, or having a population of fifty thousand people or over there is hereby created, subject to the discretion

of the fiscal court or county commissioners of said county, the office of stenographer or clerk to the county attorney. Said stenographer or clerk shall be appointed by the county attorney for a term of four years but may be removed at any time by the said county attorney. Said stenographer shall receive a salary of not less than nine hundred dollars nor more than two thousand four hundred dollars per annum, to be fixed by the fiscal court of such county, and shall be payable out of the county levy of said county in equal monthly installments. This section does not apply to counties containing a city of the first or second class.

By Mr. Marshall.

H. B. No. 82. AN ACT relating to workmen's compensation, amending Section 342.111 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 342.111 of the Kentucky Revised Statutes is amended to read as follows:

(1) When an employe, who has been awarded disability compensation by the Workmen's Compensation Board, shall die as a result of such injury prior to the payment to him of the amount of the award, then the dependents of the deceased employe shall be allowed and paid all allowed and unpaid awards made to such employe. Provided, however, that the dependents of such deceased employe shall, within six months after the death of such employe, file with the Workmen's Compensation Board, in such form as the board may require, a written verified application, stating therein the date of the death of such deceased employe; the amount of such allowed and uncollected award; the name, age, postoffice address, and the relation of each of said dependents to the deceased. Thereupon the Workmen's Compensation Board shall notify in writing the company, person or insurance carrier against whom such award was made; and shall fix a time and place for a hearing, of which notice shall be given, to determine the dependency of those making such claim;

and shall make an award or order for the benefit of those found to be entitled thereto. Provided, however, that the number of weekly payments to be paid to the dependents shall be the number of weeks remaining after deducting the number of weekly payments made to the decedent from the number of weeks allowed in the original award.

(2) When an employe who has been awarded disability compensation by the Workmen's Compensation Board shall die as a result of such injury, prior to the payment to him of the amount of the award, leaving no dependents, then the next of kin of the deceased employe shall be allowed and paid all allowed and unpaid awards made to such employe, provided, however, that all provisions of subsection (1) of this section applying to dependents and concerning procedure for qualifying for allowed unpaid awards shall apply to next of kin. This subsection also shall apply in favor of next of kin when all dependents of a deceased employe, who have qualified under subsection (1) of this section to receive allowed and unpaid awards, shall die before all such awards have been paid.

(3) The total amount paid and payable to the decedent, his dependents and next of kin shall not exceed the amount now payable for death at the average weekly wage of the decedent at the time of his injury, and the weekly payments to the dependents or next of kin shall not exceed the sum of $25 a week.

By Doctors Sanders and Palmore and Mr. Runyan.

H. B. No. 83. AN ACT making appropriations for the purpose of school transportation and for the purpose of supplementing the Common School Per Capita Fund, such appropriations being made by transfer out of the appropriations for capital outlay for the fiscal years 1950-1951 and 1951-1952.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Out of the sum of $15,000,000 appropriated by House Bill No. 14 of the present General Assembly to the State Property and

Buildings Commission for the purpose of capital outlay, the sum of $4,000,000 shall be transferred to and hereby is appropriated for the following purposes:

(1) For the purpose of providing financial aid for common school transportation systems, the same to be distributed and administered pursuant to reasonable regulations prescribed by the Department of Education, the sum of $1,000,000 per year for the fiscal years 1950-1951 and 1951-1952.

(2) For supplementing the Common School Per Capita Fund, the sum of $1,000,000 each year for the fiscal years 1950-1951 and 1951-1952.

Ordered that said bills be printed and referred.

Resolutions of the following titles were introduced.

By Messrs. Hayes and Hale.

H. Res. No. 10. A JOINT RESOLUTION authorizing Johnie Hale of Prestonsburg, Kentucky, to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Johnie Hale of Prestonsburg, Kentucky, is authorized to sue the Commonwealth of Kentucky in the Floyd Circuit Court for damage to a truck owned by him and for damages suffered because of loss of use of the truck, said damages alleged to have been caused by negligence on the part of an employe of the Department of Highways and the Commonwealth of Kentucky, while said employe was acting in the line of duty.

Said suit shall be in a sum not to exceed $2275.00.

The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth of Kentucky herein, and settle said claim before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by

settlement with the Attorney General shall be paid out of the State Road Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the circuit court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this resolution shall be considered by either the court or the jury as an admission of negligence upon the part of the Commonwealth and this resolution shall not be introduced as evidence, nor commented upon by counsel in the argument of the case to the jury.

By Mr. Hubbard.

H. Res. No. 11. A JOINT RESOLUTION authorizing the payment of pauper idiot claims.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the pauper idiot claims of Joe Burks, as Committee for Ernest Burks, a pauper idiot, and of Mary Jane Wathen, as Committee for Dee Wathen, a pauper idiot, in the amount of $37.50 each were allowed by the Larue Circuit Court at the October 1949 term.

It appearing that said claims were not presented for payment by the Commonwealth of Kentucky within the statutory time provided by law, and it further appearing that said claims are just claims against the Commonwealth of Kentucky, the Commissioner of Finance is hereby authorized and directed to pay said claims and the Statute of Limitations, as now provided by law, shall not be a bar to the payment of said claims. The amount necessary to pay said claims, being $75, is hereby appropriated out of the General Fund for that purpose.

Ordered that said resolutions be printed and referred.

The House took up for consideration from the Calendar bills of the following titles, viz:

H. B. No. 15. AN ACT relating to the certification of agricultural seeds and plant parts, and declaring an emergency to exist.

H. B. No. 16. AN ACT relating to agricultural seeds, amending Section 250.040, 250.050, 250.060 and 250.070, of the Kentucky Revised Statutes.

With Committee Amendment thereto.

H. B. No. 35. AN ACT relating to the consolidation of the various revolving fund accounts of the Department of Agriculture.

H. B. No. 39. AN ACT relating to the collection and publication of dairy statistics.

H. B. No. 40. AN ACT relating to the duties of the State Board of Agriculture.

H. B. No. 41. AN ACT relating to weights and measures, and weighing and measuring devices.

Ordered that said bills be read at length the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said bills be dispensed with, and same be read for the second time by their titles only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said bills having been dispensed with, said bills were read for the second time by their titles only, and

Ordered placed in the Orders of the Day.

The Chief Clerk produced and read the following communication, viz:

Mr. Maurice Howard, State Representative,
Capitol Building,
Frankfort, Kentucky.

Dear Mr. Howard:

I am sorry that I was not home when you came to visit us shortly before Christmas but lest I forget let me say thank you very much for the gifts you gave to our children. They are exactly something useful and we do appreciate them.

It seems as though there is some action being taken on our road. That really is a surprise to me. Although when I appeared in Frankfort some weeks ago, it seemed as though those fellows really were sincere. I believe they mean to do exactly what they said. You make a request in your letter for about two hundred copies of the last booklet which we just had released from the press. Now Maurice, I don't know for sure whether you mean that five or six page folder or whether you mean those Historical Albums which were released shortly before Christmas. The Album is entitled "Touring the Grounds of the Galilean Children's Home." It is an eighteen page booklet depicting the founding and history of the Home. I will try to send you both. First, however, I will send you two hundred copies of that folder then a little later as soon as they are released from the press I will send you several hundred copies of "Touring the Grounds." We don't have them at the present time. I am very grateful to you that you manifest such interest as that you desire to present the thing before the legislative body of the State. Thanks a lot Maurice.

Furthermore you ask if it will be possible to bring a bus load of the children and spend a while in the House and Senate while it is in session. Most certainly this can be arranged. You state the time because you would know when that would be most appropriate and if we have no other appointment at that specific time, we will certainly be glad to fulfill that request.

Come when you can stay a little while and see everything that is being done. In the early spring the Cavalcade of Movie

Industry of Chicago intends to reproduce the founding and progress of the Galilean Children's Home from A to Z. That certainly will be an interesting thing as far as we are concerned. It will be naturally the greatest boost the Home has ever experienced to this time. They intend to invest twenty to twenty-five thousand dollars in the production of this technicolor, sound film. This amount of money is being invested by the production company and not by the home and as far as the film is concerned it will become the possession of the company and not of the home and will not be used for any solicitive purposes, but just that we might broadcast the extreme grace of God. When the film is fiinished the first showing will be made in Corbin, Kentucky. The Production Manager said that he thinks it will be one of the most thrilling stories of the power and majesty of the Almighty. I will keep you posted on further progress.

Thanks for everything Maurice, we will do according to your requests.

Most sincerely that God may be glorified.

s/ John Vogel
THE GALILEAN CHILDREN'S HOME, INC.
John Vogel, Director

Mr. Maurice G. Howard moved that said communication be spread at length upon the Journal.

Said motion was agreed to.

The Speaker announced that he had referred bills and a resolution heretofore introduced as follows, viz:

H. B. No. 49—Committee on Ways and Means

H. B. No. 50—Committee on Kentucky Statutes No. 1

H. B. No. 51—Committee on Agriculture No. 2

H. B. No. 52—Committee on Education No. 2

H. B. No. 53—Committee on Kentucky Statutes No. 1

H. B. No. 54—Committee on Cities of Third Class

H. B. No. 55—Committee on Ways and Means

H. B. No. 56—Committee on Kentucky Statutes No. 1

H. B. No. 57—Committee on State Fair

H. B. No. 58—Committee on Cities of Second Class

H. B. No. 59—Committee on Kentucky Statutes No. 1

H. B. No. 60—Committee on Education No. 1

H. B. No. 61—Committee on Ways and Means

H. Res. No. 9—Committee on Claims

Mr. Hanratty moved that the House do now adjourn, to meet again at 1 o'clock P.M., Tuesday, January 17, 1950.

Said motion was agreed to.

And then the House adjourned.

TUESDAY, JANUARY 17, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend Edward W. Baxter, pastor of the Church of the Ascension, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	L. E. Bradley	Josh R. Cosby
*Bill Adams	Edw. O. Bridges	*B. H. Crider
Edgar Arnett	*Thomas L. Britton	Owen Deering
Sidney Baer	Charles J. Bronston	G. I. Drury
Clarence J. Barnum	J. D. Buckman, Jr.	Thomas R. Duncan
C. E. Baumgardner	Mrs. Mary E. Burnett	*R. C. Estepp, Sr.
Leonard T. Bean	Charles W. Burnley	Mitchell S. Fannin
*John D. Beatty	Alex Calvert	Henry C. Hale
Fred Beshear	Stanley Carter	*C. A. Hammons
*R. O. Blevins	Paul Combs	James P. Hanratty

George F. Harris	A. L. (Chick) Love	Paul E. Shannon
Paul E. Hayes	Harry King Lowman	*James S. Shaw
John A. Head	Damon Majors	Jesse H. Shelton
*Harold G. Helm	G. Lee McClain	Forest Smith
William K. Henry	Jack McPherron	Joseph T. Snapp
E. R. Hilton	*Alton Mitchell	John M. Spaulding
Ray Holbrook	Archie R. Moore	J. Claude Stacy
Woodrow W. Hollan	*Emmett G. Moore	Roy Steers
Chester J. Holsclaw	Walter R. Moorman	Raymond D. Stigall
W. M. Horn, Jr.	Fred H. Morgan	Mrs. Thelma Stovall
Richard R. Houpt	C. S. Nabb	W. R. Stringer
Durham W. Howard	Dr. C. E. Palmore	*Egbert V. Taylor
*Maurice G. Howard	James H. Polsgrove	M. G. Thompson
Robert N. Hubbard	Leonard W. Preston	Rev. T. H. Tinsley
Silas Jacobs	*Hobart Rayburn	Ralph N. Walter
Paul S. Jonas	W. R. Reasor	*Fred M. Warns
Barkley Jones	Carl J. Ruh	Morris Weintraub
William Jones	Amos Runyan	Geo. F. Williamson
*James W. Lambert	Dr. Roy Sanders	*Charles W. Wirsch
*Jesse H. Lawrence	*LeRoy Saylor	Adron Doran, Speaker
Mrs. J. T. Linton	Roy Searcy	
*Homer E. Losey		*Republicans

Mr. Burnley moved that leaves of absence be granted to Messrs. Bailey, Mackey, Martin, Marshall, Sheehan, Waterfield and Webb.

Said motion was agreed to.

Mr. Harris moved that the reading of the Journal of the proceedings of Monday, January 16, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed bills which originated in that body of the following titles, viz:

S. B. No. 7. AN ACT changing the classification of the

city of Greensburg in Green County, and declaring an emergency.

Said bill is as follows, viz:

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Greensburg, in Green County, is such as to justify its being assigned to the fifth class of cities.

NOW THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The City of Greensburg, in Green County, is transferred from the sixth class to the fifth class of cities.

Section 2. Whereas, this re-classification is necessary in order for Greensburg to qualify for and receive financial aid from the Federal Government vitally needed for the construction of a hospital, and

Whereas, the immediate construction of such hospital facilities is essential to the public health and welfare in this area,

An emergency is hereby declared to exist and this Act shall take effect immediately upon its passage and approval by the Governor.

S. B. No. 14. AN ACT classifying the City of Bowling Green, Warren County, Kentucky, as a city of the second class.

Said bill is as follows, viz:

PREAMBLE

WHEREAS, since the last Federal census the population of the City of Bowling Green has increased to a total population within the corporate limits of more than Twenty Thousand (20,000) citizens, and

WHEREAS, under Section 156 of the Constitution it is provided that the General Assembly shall designate cities with a

population of Twenty Thousand (20,000) or more, and less than One Hundred Thousand (100,000) as a city of the Second Class.

Now, therefore be it enacted by the General Assembly of the Commonwealth of Kentucky:

That on and after the effective date of this Act the City of Bowling Green, Warren County, Kentucky, now classified as a Third Class City, shall be and is a City of the Second Class, with all the powers vested in such Cities of the Second Class now granted by law.

Ordered that said bills be printed and referred.

Mr. Holsclaw moved that the rules be suspended and the privilege of the floor extended to Mrs. Inez K. Ligon.

Said motion was unanimously agreed to.

Mr. McPherron moved that the rules be suspended and the privilege of the floor extended to Mrs. Fred Harrison and Miss Lucille Smith.

Said motion was unanimously agreed to.

Mr. Shannon moved that the rules be suspended and the privilege of the floor extended to Mrs. Ben Kees.

Said motion was unanimously agreed to.

Mr. Wirsch moved that the rules be suspended and the privilege of the floor extended to Mr. Malcomb Rhodes.

Said motion was unanimously agreed to.

Mr. Hollan moved that the rules be suspended and the privilege of the floor extended to Mr. A. Y. Mathers, Mr. J. B. Hubbard, Mr. O. Holbrook, Mr. Woodrow Moore, Mr. William Turner, Jr., and Mr. Morton Hollan.

Said motion was unanimously agreed to.

Bills of the following titles were introduced, viz:

By Mr. Polsgrove.

H. B. No. 84. AN ACT to provide for the election of delegates to World Constituent Assembly.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

WHEREAS, Under the political system of the United States of America, all powers of a national character which are not delegated to the national government by the Constitution are reserved to the people of all the States; and

WHEREAS, The exercise by the people of the United States of their sovereignty at this critical juncture in world affairs, by participation in the establishment of a world federal government to abolish international war is vital to safety and happiness of the present and succeeding generations; and

WHEREAS, A World Constituent Assembly be held in Geneva, Switzerland, in the autum of 1950 and all nations are invited to send delegates chosen by universal adult suffrage to draft a World Constitution to be submitted back to national governments for ratification or rejection by the people; and

WHEREAS, The holding of such an assembly without the people of the United States being represented would be contrary to their fundamental interests; and the American people would resent an attempt being made to organize a world government without the opportunity to participate through representatives of their own choosing; and

WHEREAS, According to the plan or system of representation at the Convention of one delgate per million of population, the people of the United States—on the basis of the latest official census—will be entitled to 131 delegates to the Constituent Assembly, and accordingly the electorate of the Commonwealth of Kentucky is entitled to elect three delegates; therefore

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF KENTUCKY, that an election for the purpose of electing delegates to the World Constituent Assembly shall be held in the Commonwealth on the first Saturday in August, 1950.

SECTION 2. BE IT FURTHER ENACTED, that at such election any citizen of this Commonwealth who would be entitled to vote for members of the General Assembly, if such election were being held on said date, shall be entitled to vote on the candidates for delegate to the World Constituent Assembly in the county and district or precinct in which he may reside.

SECTION 3. BE IT FURTHER ENACTED, that said election be held at all precincts or voting places established by law and shall be managed and conducted under the laws then in force in the same manner and under the same rules and regulations governing general elections.

SECTION 4. BE IT FURTHER ENACTED, that the number of delegates to the World Constituent Assembly to be elected by the voters of the Commonwealth shall be three. Candidates for the office of delegate shall be nominated and elected from the Commonwealth at large and shall serve for a term of two years. Any citizen of the Commonwealth entitled to vote in the election of delegates may vote for not more than three delegates.

SECTION 5. BE IT FURTHER ENACTED, that candidates for the office of delegate to the World Constituent Assembly shall be under the restriction prescribed by the Constitution of the United States for presidential electors, i.e., that no Senator or Representative or person holding any office of trust or profit under the United States shall be a delegate.

SECTION 6. BE IT FURTHER ENACTED, that nominations for candidates to the office of delegate shall be by petition signed by not less than 100 citizens of this Commonwealth entitled to vote in the election, which petition shall be filed with the Secretary of State not later than 30 days prior to the election of delegates.

SECTION 7. BE IT FURTHER ENACTED, that the Sec-

retary of State shall certify the names of the candidates whose nominating petitions have been duly filed in accordance with the preceding section to the Chairman of the Election Commissioners for each of the counties of the Commonwealth. The County Election Commissioners shall include in the notice of the election to be held on the first Saturday in August, 1950, notice of the election for delegates to World Constituent Assembly, and the general provision of the laws of this Commonwealth with reference to the printing of the names of candidates on the ballots and for voting machines shall apply, except that the name of no candidate that has not been certified by the Election Commissioners shall be printed on a ballot or appear in the voting machines.

SECTION 8. BE IT FURTHER ENACTED, that it shall be the duty of Election Commissioners or other proper officers under the law of each county of this Commonwealth immediately after said election to make a complete return to the Secretary of State of the votes case for delegates in his county. The Governor and the Secretary of State shall furnish to the three candidates receiving the highest number of votes certificates of election as provided by law in the case of presidential electors. The said three candidates so furnished certificates of election shall be delegates to the World Constituent Assembly, and, along with the delegates similarly elected in the other states and the District of Columbia, shall compose the national delegation representing the people of the United States at said Assembly for the purpose of participating in the drafting of a World Constitution to be submitted to the people of the nations of the world for ratification in accordance with the constitutional or legal procedures of the respective nations.

SECTION 9. BE IT FURTHER ENACTED, that the Delegates duly accredited from this Commonwealth, as above provided, shall be paid a salary of $6,000 per annum and in addition, travel expenses to and from all sessions of the assembly and reasonable overseas living expenses befitting their official capacity, together with necesary expenses of communication, stenographic and clerical and interpretarial assistance; and there is hereby appropriated from any monies in the general fund of this Commonwealth not otherwise appropriated the sum of

$50,000.00 to cover such appropriation from the date of the election until the end of the biennium, same to be disbursed by the Comptroller on vouchers of delegates in such form as the Comptroller may require: Provided, however, no monies shall be expended hereunder until such time as fifteen other states of the United States shall have put into force similar legislation.

SECTION 10. BE IT FURTHER ENACTED, that this Act shall take effect from and after its passage, the public welfare requiring it.

By Mr. Preston.

H. B. No. 85. AN ACT relating to the General Assembly, including provisions concerning the acceptance of office or employment by members thereof and including provisions concerning employes of the General Assembly.

Said bill is as follows, viz.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No member of the General Assembly shall be appointed to nor shall he accept any other public office or public employment during the term for which he was elected to the General Assembly.

Sec. 2. No member of the immediate family of any member of the General Assembly shall be employed in connection with the Sessions or functions of the General Assembly.

Sec. 3. The Clerks of the respective houses of the General Assembly shall cause to be published in the Legislative Digest, promptly after their employment, the names and rate of compensation of every employe of the General Assembly, or of either house thereof.

Sec. 4. Any person violating the provisions of this Act shall be fined not less than five hundred dollars nor more than one thousand dollars, and upon conviction any public office he may hold shall be declared vacant.

Sec. 5. WHEREAS, in order to provide the necessary protection of the public interests provided for in this Act it is essential that this Act become effective during the present session of the General Assembly, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

By Mr. Morgan.

H. B. No. 86. AN ACT relating to publication of newly adopted or revised ordinances, and to the adoption and publication of certain government codes, in cities of the second class under the city manager form of government, amending Section 89.545 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 89.545 of the Kentucky Revised Statutes is amended to read as follows:

(1) Ordinances adopted by the board of commissioners of any city of the second class organized and governed under the city manager form of government need not be published in full, but the city clerk shall, within ten days after the adoption of an ordinance, cause to be published in the newspaper having the largest bona fide circulation in the city an abstract thereof and shall incorporate therein sufficient information to constitute a description of the subject matter to which such ordinance relates.

(2) A code approved by any agency of the U. S. Government or by any agency or department of the Commonwealth of Kentucky, or any part of such code, may be adopted by any such city under an ordinance containing only a reference to the title and issuing organization of such code or to the part thereof which is adopted, if a printed copy is filed with the ordinance and printed copies are made available at reasonable cost to persons desiring such copies. Such an ordinance shall be published in accordance with subsection (1) of this section. Codes

heretofore adopted and published in conformity with this section are hereby validated.

(3) If any such city revises, amends and codifies its ordinances, publication in a newspaper of such codified ordinance shall not be required but a notice of the adoption of the codified ordinances shall be inserted in the official newspaper of the city. Copies of the codified ordinances shall be printed or otherwise reproduced by the city and shall be made available to any person desiring a copy at a reasonable charge to cover costs of printing or other type of reproduction.

(4) The provisions of subsection (6) of KRS 84.100 shall not apply in cities of the second class organized and governed under the city manager form of government.

By Messrs. Jonas, Shannon, Maurice G. Howard, Sheehan, Ruh, Wirsch, Weintraub, Burnley, Morgan, Adams, Mackey, Beshear, Bronston, Baumgardner and Fannin.

H. B. No. 87. AN ACT recognizing the rendered public service of the Commonwealth's War Veterans who served in a dual capacity for the sovereign United States and the sovereign Commonwealth of Kentucky and making provision for a State Bonus for veterans.

Said bill is as follows, viz.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Constitution of the Commonwealth of Kentucky is hereby proposed to be amended by the enactment of a new section of the Constitution, to read as follows:

The General Assembly, through a state agency which it may establish for the purpose, may provide for the distribution, by sale or gift, of tickets or certificates entitling the holder thereof to participate in a drawing for prizes, in cash or otherwise, all contingent upon the skill of the participant, based upon the running and order of finish of the Kentucky Derby each year, and the provisions of Sections 60 and 226 of the Constitution shall not apply thereto. The General Assembly shall further have au-

thority to levy an excise tax upon the distribution, by sale or gift, of such tickets or certificates to people within the jurisdiction of the Commonwealth of Kentucky or to the duly appointed resident agents of people without the confines of the Commonwealth of Kentucky. The General Assembly shall have further authority to provide for the payment of such prizes out of the proceeds of the sale of such tickets or certificates, or out of the revenue from the excise tax levied upon the distribution thereof. Such excess proceeds or revenues as may be received, over and above the amount of such prizes, shall be used first for the payment of a bonus to Kentucky War veterans, in such amount and under such terms and conditions as the General Assembly may provide. After the payment of such bonus, the excess proceeds or revenues shall thereafter be appropriated for increasing teachers' salaries and old age assistance payments, improving the standards of the mental institutions, and otherwise for education, health, welfare, and old age assistance, in such proportions as the General Assembly may provide. For the purpose of early payment of such bonus, the General Assembly may authorize the issuance of warrants or revenue bonds payable out of and secured by the future proceeds or revenue arising from the distribution of the tickets or certificates above referred to or the excise tax thereon.

Sec. 2. The above amendment shall be submitted to the voters at the time and in the manner provided for under Sections 256 and 257 of the Constitution and Section 118.430 of the Kentucky Revised Statutes. The question shall be stated on the ballots as follows:

> "Are you in favor of amending the Constitution so as to enable the General Assembly to provide funds for the payment of a bonus to Kentucky War Veterans who served in a dual capacity for the sovereign United States and the sovereign Commonwealth of Kentucky in World War I between April 6, 1917 and November 11, 1918, or in World War II between December 7, 1941 and September 2, 1945, and in case of deceased members, to their next of kin, and thereafter for increasing teachers' salaries and old age assistance payments, improving the standards of the mental insti-

tutions, and otherwise for education, health, welfare, and old age assistance, through a plan involving public participation in an annual drawing for prizes contingent upon skill of the participant, based upon the running and order of finish of the Kentucky Derby."

Sec. 3. If the amendment to the Constitution proposed by Section 1 of this Act shall be approved by the voters, in accordance with Section 256 of the Constitution, then, as of December 1, 1951, there shall be created an established a Kentucky Derby Commission, to consist of five members appointed by the Governor. Such members shall be appointed for terms of four years, and until their successors are appointed and have qualified, except that upon the first appointment one member shall be appointed for a term of one year, one for a term of two years, one for a term of three years, and two for terms of four years. The members of the commission shall annually select from their number a chairman, who shall serve for a term of one year. Each member of the commission shall receive an annual salary of $4,500, and his actual and necessary traveling expenses.

Sec. 4. The Kentucky Derby Commission shall have authority to employ such personnel as it deems necessary for the performance of its functions, and to make contracts with agents or distributors, in this state, to assist in carrying out its functions.

Sec. 5. (1) The Kentucky Derby Commission shall formulate, prepare and execute plans for an annual drawing for prizes, contingent upon skill of the participant, in cash or otherwise, based upon the running and order of finish of the Kentucky Derby, in which drawing the holder or agent of the holder of tickets or certificates issued by the commission may participate, contingent upon a contest of skill. The contest of skill shall be arranged by the commission and the selection of the judges made by the commission and their decision shall be final in all events of skill. The commission shall arrange and provide for the distribution of tickets or certificates to people within the jurisdiction of the Commonwealth of Kentucky or to the resident agents of people from outside the confines of the Commonwealth who may desire the same. The tickets or certificates shall be distributed free of charge, by gifts, and no purchase price shall be charged or collected for the same and the right to partcipate

in all cases must be upon the final right accruing within the jurisdiction of the Commonwealth of Kentucky.

(2) No distribution of tickets or certificates shall be made within any county of this state unless either the county court clerk, the circuit court clerk, or an established post within the county of a nationally recognized veterans' organization first makes application to the Kentucky Derby Commission for designation of themselves or other persons as agents or distributors of such tickets or certificates within the county. Upon such an application being filed, the Kentucky Derby Commission may designate as agents or distributors the persons named in the application, and/or any other persons.

Sec. 6. There is hereby levied, upon the distribution by gift of the tickets or certificates referred to in this Act, a state excise tax of two dollars and fifty cents for each ticket or certificate. The tax shall be paid by the person to whom the ticket or certificate is distributed, and shall be collected by the employe or agent of the Kentucky Derby Commission who makes the distribution. Any employe or agent who distributes such tickets or certificates shall be required by the commission to give bond to the Commonwealth, in an amount and with sureties satisfactory to the commission, conditioned upon collection and prompt payment to the commission of the excise tax on all tickets or certificates distributed by him, and upon return, within a time fixed by the commission, of all tickets or certificates received by him for distribution and not distributed. The commission may, by contract with an employe or agent other than a salaried employe, allow the employe or agent a commission of not more than twenty-five per cent of the amount of taxes collected by him, to cover expenses and services incident to the collection, reporting and remitting of the taxes.

Sec. 7. The revenue received from the excise tax imposed by Section 6 of this Act shall be paid into the State Treasury and credited to a special fund, to be known as the Kentucky Derby fund. There shall be advanced to this fund, during the fiscal year 1951-1952, out of the General Expenditure Fund, the sum of $100,000 to meet preliminary expenses of the Kentucky Derby Commission in commencing the performance of its duties

and in providing for the first year's operation. As soon as there shall be paid into the Kentucky Derby Fund, out of the revenues from the tax imposed by Section 6 of this Act, the sum of $200,000 over and above the amount of prizes conditioned upon skill to be awarded at the first annual drawing, the sum so advanced out of the General Expenditure Fund shall be repaid to that fund out of the derby fund. The Kentucky Derby Fund shall constitute a continuing fund, and no portion of it shall lapse to the General Expenditure Fund at the end of any fiscal year. There shall be deemed to be appropriated out of such fund, each year, such sums as are necessary for the ordinary recurring expense of operation of the Kentucky Derby Commission, and for the prizes determined by the Commission to be awarded at the annual drawing.

Sec. 8. After the repayment of the advancement out of the General Expenditure Fund referred to in Section 7 of this Act, all sums that shall be accumulated in the Kentucky Derby Fund, over and above the operating expense requirements of the Kentucky Derby Commission for the ensuing fiscal year, shall be transferred by the State Treasurer out of the Kentucky Derby Fund and placed to the credit of another fund in the State Treasury to be known as the Veterans' Bonus Fund, out of which veterans' bonuses shall be paid in accordance with the following provisions of this Act.

Sec. 9. (1) Every person:

(a) Who engaged in active Military or Naval service in the land, air, or naval forces of the United States, including all members of the Army of the United States, Air Force of the United States, United States Navy, United States Marine Corps, United States Coast Guard, and any and all of their components, including both male and female members, and including service in the Merchant Marine; and

(b) Who served between April 6, 1917 and November 11, 1918, or between December 7, 1941, and September 2, 1945; and

(c) Who was a legal resident of the Commonwealth for at least six months immediately prior to

his or her enlistment, induction or call to active duty and who was honorably discharged and has continued to be a legal resident of Kentucky for not less than one year after such discharge from duty;

shall be entitled to receive a bonus payment out of the Veterans' Bonus Fund in consideration and recognition of the dual public service performed by such person.

(2) The bonus payments shall be as follows:

(a) For each month of service within the United States the sum of Ten Dollars.

(b) For each month of service outside the continental United States the sum of Fifteen Dollars.

(c) The minimum bonus payable hereunder shall be Two Hundred Dollars and the maximum bonus shall be Six Hundred Dollars, regardless of length of service.

(3) No payments shall be made to any member of the Armed Forces of the United States who, though in service, was a conscientious objector to military service or who did only civilian work at civilian pay or who has received from another state a bonus or adjusted compensation of a like nature as is provided by this Act.

(4) A bonus in the amounts specified in subsection (2) of this section shall be paid to the next of kin of any deceased person, who, if living, would be qualified under this section to receive a bonus. The term "next of kin" means the widow or widower, who has not remarried, children, mother, father, or person standing in loco parentis, in the order named and none other.

(5) the payments shall be made on July 1, 1953, or as soon thereafter as is possible, subject to the provisions of Section 13 of this Act.

Sec. 10. Administration of the bonus payments is vested in the Department of Military Affairs. Claims for payments by a veteran or his next of kin, shall be made to the department upon forms prescribed and furnished by the department. Each claimant shall be required to present satisfactory proof as to his eligibility for the bonus payment, in accordance with standards

and regulations which the department shall prescribe as to the nature of proof of eligibilty to be required.

Sec. 11. No claim for a bonus payment by the veteran or his next of kin, shall be recognized or allowed unless the claim is made to the Department of Military Affairs on or before June 30, 1953, except that in the case of a veteran who has filed his claim by that date and subsequently dies before receiving his bonus payments in full, his next of kin may file claim for the unpaid payments within six months after the death. Every claimant shall be required to designate, upon his application form, the next of kin who will be eligible under subsection (4) of Section 9 of this Act to receive payments in the event the claimant shall die before any or all of his bonus has been paid to him.

Sec. 12. In order to make every payment of the bonuses provided for in this Act, and for that purpose to supplement the initial sums credited to the Veteran's Bonus Fund as provided in Section 8 of this Act, the Department of Military Affairs shall have authority to issue revenue bonds, payable solely out of anticipated future accumulations to the Veterans' Bonus Fund by transfer from the Kentucky Derby Fund, as provided in Section 8 of this Act. Such bonds shall be issued in accordance with the provisions of Chapter 58 of the Kentucky Revised Statutes. They shall not constitute an indebtedness of the Commonwealth of Kentucky, and it shall be so stated on the face of each bond. If such bonds are issued, the interest and principal payments required to retire the bonds shall constitute a prior obligation against future accumulations to the Veterans' Bonus Fund, and only such portion of the accumulations as shall be in excess of the bond retirement requirements shall be available for direct bonus payments. The proceeds received from the issuance of the bonds shall be credited to a special account within the Veterans' Bonus Fund in the State Treasury, and shall be available to the Department of Military Affairs for bonus payments, and for administrative expenses in connection therewith.

Sec. 13. In the event sufficient funds are not available through accumulations in the Veterans' Bonus Fund or through the issuance of revenue bonds, or both, to make immediate payment in full to all eligible bonus claimants, payments shall be made in installments based upon each eligible claimant's earliest

month's service that is used to determine his full bonus under this Act. For those claimants receiving minimum bonuses the months following their separation from service shall be used in their order to establish the installment payments.

Sec. 14. There shall be deemed to be appropriated to the Department of Military Affairs, out of the Veterans' Bonus Fund, such sums as are necessary for the performance of the duties imposed upon the department by this Act.

Sec. 15. After sufficient sums have been transferred from the Kentucky Derby Fund to meet all of the requirements of this Act with respect to the payment of bonuses, including the retirement of any revenue bonds issued under Section 12 of this Act, any balance remaining in the Kentucky Derby Fund and all future accumulations to the fund, shall remain to the credit of that fund, subject to appropriation by the General Assembly for increasing teachers' salaries and old age assistance payments, improving the standards of the mental institutions, and otherwise for education, health, welfare, and old age assistance, in such proportions and amounts as the General Assembly may provide.

Sec. 16. Section 436.360 of the Kentucky Revised Statutes shall not apply to the Kentucky Derby Commission or its duly authorized employes or agents.

Sec. 17. The Department of Military Affairs shall adopt general rules for determining whether a bonus claimant was a resident of this State at the time he entered the service and whether he remained a resident for one year after leaving service, and by rule, shall prescribe the persons who may execute applications in case of disability or death and the nature of proof to be submitted to establish all facts required under any applications filed. The department shall allow or reject, either in whole or in part, all claims filed under this Act. Written notice of any rejection of a claim, either in whole or in part, shall be served on the claimant either personally or by registered mail addressed to the last known address of the claimant and deposited in the United States Mail. Any claimant whose claim is so rejected may apply for a review of the determination by the department at any time within one year after the service of notice of rejec-

tion and if such application is timely made the determination shall be reviewed by the reviewing officer appointed by the department or by the department itself. From the decision of the department following such review an appeal may be taken as provided in Section 20 of this Act.

Sec. 18. All bonus payments shall be exempt from state income tax and other state taxes, and any mortgage, pledge, sale, assignment or transfer made of any right, claim or interest in any such bonus shall be void.

Sec. 19. No attorney, agent or other person shall demand, be entitled to or receive any remuneration for his services in prosecuting before the Department of Military Affairs any claim for any bonus under this Act. The Department of Military Affairs shall assist persons entitled to a bonus hereunder in the preparation of their applications and claims therefor and all agencies of the Commonwealth shall cooperate with the department to effectuate the purpose and comply with the provisions of this Act. The department may seek the aid and cooperation of the various agencies of the Federal Government in the determination of the facts submitted by a claimant on his application or claim.

Sec. 20. Within twenty days after a decision of the Department of Military Affairs, after the party has exhausted his remedies before the department, any party aggrieved thereby may secure judicial review thereof by filing a petition for review against the Department of Military Affairs in the circuit court of the county in which he is a resident or in the Franklin Circuit Court. The petition shall state fully the grounds upon which the review is sought, assign all errors relied on, and shall be verified by the petitioner. Summons shall issue upon the petition directing the Department to file answer within fifteen days after service thereof. No appeal may be taken from the decision of the circuit court.

Sec. 21. None of the provisions of Sections 3 to 20 of this Act shall become operative unless the amendment to the Constitution proposed by Section 1 of this Act shall be approved by the voters in accordance with Section 256 of the Constitution.

By Mr. Fannin.

H. B. No. 88. AN ACT appropriating to the common school Per Capita Fund, for the payment and increase of the salaries of teachers, the proceeds from the state tax on sale of cigarettes imposed by Section 138.140 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Beginning with the fiscal year which commences July 1, 1950, there hereby is appropriated, each year, to the Common School Per Capita Fund, for the payment and increase of the monthly salaries of teachers and for no other purpose, the revenue received from the tax on the sale of cigarettes imposed by Section 138.140 of the Kentucky Revised Statutes. This shall be in addition to any other appropriations to the Common School Per Capita Fund.

By Mr. Helm.

H. B. No. 89. AN ACT relating to the tax on pari-mutuel betting at running or trotting horse race tracks; increasing the rate of tax and providing for the appropriation of the additional revenue derived therefrom; amending Sections 138.510 and 138.530 of the Kentucky Revised Satutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 138.510 of the Kentucky Revised Statutes is amended to read as follows:

An excise tax is imposed on every person, corporation or association which operates a running or trotting horse race track at which betting is conducted through a pari-mutuel or other similar system. The tax shall be an amount equal to ten percent of the total amount of all money deposited in pari-mutuel pools or similar pools (including any pool, such as a daily double pool, even though tickets sold for such a pool are not vended by a

mechanical or electrical device nor the totals of such a pool computed and determined by a totalizator.

Sec. 2. Section 138.530 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department of Revenue shall enforce the provisions of and collect the tax and penalties imposed and other payments required by KRS 138.510 to 138.550, and in doing so it shall have the general powers and duties granted it in KRS Chapter 131 and KRS 135.050, including the power to enforce, by an action in the Franklin Circuit Court, the collection of the tax, penalties and other payments imposed or required by KRS 138.510 to 138.550.

(2) The remittance of the tax imposed by KRS 138.510 shall be made to the Department of Revenue the next business day following each day of racing, during each race meeting and accompanied by such reports as prescribed by said department. All such funds received by the Department of Revenue shall be paid into the State Treasury and shall be credited to the General Expenditure Fund. Seven-tenths of the amount so credited during each fiscal year shall be set aside for and hereby is appropriated to the Common School Per Capita Fund for such year, this to be in addition and supplemental to any other appropriations to the Common School Per Capita Fund.

(3) The supervisor of pari-mutuel betting appointed by the Kentucky State Racing Commission shall daily, during each race meeting, report to the Department of Revenue the total amount bet or handled the preceding day and the amount of tax due the state thereon, under the provisions of KRS 138.510 to 138.550.

(4) The supervisor of pari-mutuel betting appointed by the Kentucky State Racing Commission or his duly authorized representatives shall, at all reasonable times, have access to all books, records, issuing or vending machines, adding machines and all other pari-mutuel equipment for the purpose of examining and checking the same and ascertaining whether or not the proper amount or amounts due the state are being or have been paid.

(5) Every person, corporation or association required to pay the tax imposed by KRS 138.510 shall keep its books and

records so as to clearly show by a separate record the total amount of money contributed to every pari-mutuel pool, including daily double pools, if any.

H. B. No. 90. AN ACT changing the classification of the City of Jamestown, in Russell County, and declaring an emergency.

Said bill is as follows, viz:

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Jamestown, in Russell County, is such as to justify its being assigned to the fifth class of cities;

NOW THEREFORE

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The City of Jamestown, in Russell County, is transferred from the sixth class to the fifth class of cities.

Sec. 2. Whereas, the reclassification of the City of Jamestown is necessary in order to enable the city to qualify for and receive Federal aid for hospital construction, and to enable the city to finance needed improvements of its streets and sewers, all of which are essential to the public health and welfare of the state, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

By Mr. Lambert.

H. B. No. 91. AN ACT relating to city marshals and deputy marshals in cities of the sixth class; amending Section 95.800 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 95.800 of the Kentucky Revised Statutes is amended to read as follows:

(1) The police in cities of the sixth class shall be under the direction and control of the city marshal.

(2) The marshal shall have the powers of a sheriff for the suppression of any riot, disturbance of the peace, or resistance to law or authority. His lawful orders shall be promptly executed by deputies, police and watchmen of the city, and citizens shall lend him aid when required for the arrest of offenders and maintenance of public order.

(3) He may execute and return process issued to him by any legal authority. He shall receive the same fees as a constable for the service of process.

(4) He may, with the approval of the board of trustees, appoint deputy marshals. The deputy marshals shall receive such compensation as may be fixed by ordinance, which may be in lieu of or in addition to fees for service of process, as the ordinance shall provide. The marshal and his sureties shall be responsible for the acts of his deputies.

(5) He may, with the approval of the board of trustees, appoint additional policemen necessary to preserve public order, who shall serve for one day only.

(6) He shall have charge of city prisoners, and of the chain gang if one is established by the board of trustees.

(7) He shall prosecute all violations of city ordinances before the police court.

(8) The marshal shall perform such other duties as the city ordinances require.

By Mr. Lowman.

H. B. No. 92. AN ACT relating to the Adjutant General.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 36.030 Kentucky Revised Statutes 1948 edition is amended to read as follows:

36.030 Adjutant General; rank; compatibility of office.

(1) The Governor shall order the Adjutant General placed on active duty, and if the Adjutant General does not already hold the commission of Major General of the Kentucky National Guard he shall be given temporary rank as Major General of the Kentucky National Guard and shall be so commissioned by the Governor. If the commission is only temporary it shall antomatically be vacated when the Adjutant General is relieved from duty or at the expiration of the term of the Governor appointing him.

(2) The office of Adjutant General shall not be incompatible with or serve to vacate the commission in the Kentucky National Guard held by the officer appointed Adjutant General at the time of his appointment, nor shall it be incompatible with any office to which he might be promoted, nor interfere with or prevent his attending to the duties of the office held at the time or to which he may be thereafter promoted.

By Mr. Helm.

H. B. No. 93. AN ACT relating to the allocation of the special fund for rural and secondary roads created through the setting aside of two-sevenths of the excise tax on gasoline received in this state; amending Section 177.360 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 177.360 of the Kentucky Revised Statutes is amended to read as follows:

The funds provided for in KRS 138.220 and 177.320 for the construction, reconstruction and maintenance of rural and secondary roads shall be allocated by the Department of Highways as follows:

(1) One-third of the funds be apportioned equally between the 120 counties.

(2) One-third of the funds shall be apportioned among the several counties on the basis of the ratio which the rural population of each county bears to the total rural population of the state. "Rural population," as used in this section, means the population outside cities having a population of five thousand or more as shown by the most recent federal census.

(3) One-third of the funds shall be apportioned among the several counties on the basis of the ratio which the square mile area of the county bears to the total square mile area of the state.

The Department of Highways at the close of each quarter of each fiscal year, or as soon thereafter as practicable, shall furnish to the fiscal courts of the several counties a statement showing the total amount of all disbursements and the unliquidated and unencumbered balances, of the funds allocated to the respective counties, for the previous quarter.

By Mr. Lambert.

H. B. No. 94. AN ACT relating to the compensation of marshals of county police forces; amending Section 70.560 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 70.560 of the Kentucky Revised Statutes is amended to read as follows:

The fiscal courts of the respective counties shall fix the salaries or compensation of the chief and all other appointees and employes appointed by the county judge in accordance with the provisions of KRS 70.540, provided, however, that no patrolman shall be paid more than $2,400 per annum, no captain shall be paid more than $2,700 per annum, no assistant chief shall be paid more than $3,000 per annum, and no chief shall be paid more than $3,600 per annum, which salaries or compensation shall be payable in equal monthly installments out of the county levy, and further provided, that no fees or other compensation

shall be paid or allowed to any of the officers or members of said county police force. Provided, however, that the above salaries shall only apply to counties having a population of 70,000 or more inhabitants; that in counties having less than 70,000 inhabitants the salary of no person appointed under KRS 70.540 shall exceed $1,800 per annum. The fiscal court shall, by order, fix the amount of the salary of all appointees within the limitations herein provided and may within their discretion provide for motor vehicles, stations, substations, places of detention, telephone, wireless, radio or other means of communication within their discretion and make appropriate levy and appropriations therefor, and may also, with the approval of the judge of the county court, direct the amount of bond to be required of each member of said county police force and may, in their discretion, provide for the payment of premiums on said bonds out of funds appropriated for said county police force.

Ordered that said bills be printed and referred.

Mr. Jonas moved that the rules be suspended and the Chief Clerk of the House be authorized and directed to have printed one hundred extra copies of a bill of the following title, viz:

H. B. No. 87. (For title see H. J. of today, ante.)

Mr. Losey moved to amend said motion by including a resolution of the following title, viz:

H. Res. B. A RESOLUTION proposing amendments to the Rules of the House of Representatives for the 1950 Regular Session.

Said motion as made by Mr. Losey was disagreed to.

Said motion as made by Mr. Jonas was then agreed to.

Mr. Maurice G. Howard moved that the rules be suspended and the Chief Clerk of the House be authorized and directed to have printed one hundred copies of a resolution of the following title, viz:

H. Res. B. (For title see H. J. of today, ante.)

Said motion was agreed to.

A resolution of the following title was introduced, viz:

By Mr. Hanratty.

H. Res. No. 12. A JOINT RESOLUTION providing for the purchase and distribution of "The Legislative Digest."

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. The Perry Publishing Company is authorized and directed to furnish 200 copies of "The Legislative Digest," each day the House or Senate is in session, for delivery and distribution as provided in Section 2 of this Resolution, for which said company shall be paid the sum of $4,000.00 out of the appropriation for expenses of legislative sessions for the current fiscal year made by Chapter 2 of the Acts of 1948. The Department of Finance shall issue its warrant for payment of this amount upon receipt of a voucher for the same endorsed and approved by the Speaker of the House of Representatives and the President of the Senate.

2. The distribution of "The Legislative Digest" shall be as follows:

(a) 110 copies to the Clerk of the House for distribution to the members of the House and to such officers of the House as the Speaker may direct.

(b) 45 copies to the Clerk of the Senate for distribution to the members of the Senate and to such officers of the Senate as the President of the Senate may direct.

(c) 45 copies to the Governor and to such officers and employes of the Commonwealth as the Governor, the President of the Senate and the Speaker of the House may direct.

3. WHEREAS, in order that the functions of the General Assembly may be expedited, it is essential that The Legislative

Digest be available to the members during the present session, an emergency is declared to exist and this Resolution shall take effect upon its passage and approval by the Governor.

Ordered that said resolution be printed and referred.

ORDERS OF THE DAY

The House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 15. AN ACT relating to the certification of agricultural seeds and plant parts, and declaring an emergency to exist.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. (1) Where certification in Kentucky is requested for agricultural seeds or plant parts for propagation, produced outside of Kentucky and intended for sale in Kentucky, the request may be granted only when that part of the production process which has taken place outside the state has been certified by the agency responsible for certification in the state, province, or country where it originated, and then only when the standards of certification there are accepted by the Director of the Kentucky Experiment Station.

(2) Where certification is requested for agricultural seeds or plant parts for propagation produced in Kentucky but eligible for certification outside of Kentucky and intended for sale outside of Kentucky, the request may be granted providing the production process conforms with requirements of the agency responsible for certification in the state, province or country in which such seeds or plant parts are eligible for certification, and further that such certification does not denote suitability or adaptability of said seeds or plant parts for use in Kentucky. The Director of the Kentucky Experiment Station is authorized to issue, when necessary, certificates or statements showing that the particular seeds or plant parts so certified are not suitable or adapted for use in Kentucky.

(3) As used in this Act, the terms "certification" and "agricultural seeds" shall have the same meaning as defined in KRS 250.010.

Sec. 2. Whereas, a large portion of the agricultural seeds and plant parts to the certification of which this Act is applicable is now being processed and will be ready for marketing within the immediate future and prior to June, 1950.

NOW THEREFORE, in order to prevent great loss and damage to producers from any and all delay in certification and marketing, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Ordered that said bill be read at length the third time.

Mr. Taylor moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Edward O. Bridgers	B. H. Crider
Bill Adams	Thomas L. Britton	Owen Deering
Edgar Arnett	Charles J. Bronston	G. I. Drury
Walter J. Bailey	J. D. Buckman, Jr.	Roscoe C. Estepp, Sr.
Clarence J. Barnum	Mrs. Mary E. Burnett	Mitchell S. Fannin
Leonard T. Bean	Charles W. Burnley	Henry C. Hale
John D. Beatty	Alex Calvert	Chester A. Hammons
Fred Beshear	Stanley Carter	James P. Hanratty
R. O. Blevins	Paul Combs	George F. Harris
L. E. Bradley	Josh R. Cosby	Paul E. Hayes

John A. Head
Harold G. Helm
William K. Henry
E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
Richard R. Houpt
Durham W. Howard
Maurice G. Howard
Robert N. Hubbard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
James W. Lambert
Jesse H. Lawrence
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
True Mackey
Damon Majors
G. Lee McClain
Jack McPherron
Alton Mitchell
Archie R. Moore
Emmett G. Moore
Walter R. Moorman
C. S. Nabb
Dr. C. E. Palmore
James H. Polsgrove
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
Amos Runyan
Dr. Roy Sanders
LeRoy Saylor
Roy Searcy
Paul E. Shannon
James S. Shaw
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spaulding
J. Claude Stacy
Roy Steers
Raymond D. Stigall
Mrs. Thelma Stovall
W. R. Stringer
Egbert V. Taylor
M. G. Thompson
Rev. T. H. Tinsley
Ralph N. Walter
Fred M. Warns
Morris Weintraub
G. F. Williamson
Charles W. Wirsch
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Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 16. AN ACT relating to agricultural seeds, amending Sections 250.040, 250.050, 250.060 and 250.070 of the Kentucky Revised Statutes.

With Committee amendment thereto.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 250.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as provided in subsections (2) and (3) of this section, every lot of agricultural seeds, when in bulk or a container of one pound or more, or in the case of tobacco seed of one-quarter ounce or more, shall have affixed, in a conspicuous place on the exterior of the container of the seeds, a label in plainly written or printed English, in a manner prescribed by the director, stating:

(a) The commonly accepted name of the seeds;

(b) The approximate percentage of weight of purity, which means the freedom of the seeds from inert matter and from other seeds distinguishable by their appearance;

(c) The approximate total percentage by weight of weed seeds;

(d) The name and approximate number per ounce of each kind of noxious weed seeds present, per ounce of agricultural seeds;

(e) The approximate percentage of germination of agricultural pure seeds designated, together with the month and year the seeds were tested;

(f) The full name and address of the seller of the seed; and

(g) The name of the state where the seed was grown, and if this is unknown, a statement to that effect.

(2) The Seal of Certification of the Kentucky Seed Improvement Association approved by the Director of the Kentucky Agricultural Experiment Station shall be accepted in lieu of the written or printed tag or label required herein.

(3) A gummed label approved by the Director of the Kentucky Agricultural Experiment Station shall be accepted on packages of uncertified tobacco seed in lieu of the written or printed tag or label required herein. Each package of uncertified tobacco seed shall have clearly written or printed on the container the name and address of the seedsman, kind and variety of seed, approximate percentage of pure seed, approximate percentage of germination and the month and year the germination test was made.

Sec. 2. Section 250.050 of the Kentucky Revised Statutes is amended to read as follows:

Mixtures of agricultural seeds which contain two or more kinds of such seeds, each present in excess of five percent by weight of the total mixture, shall when sold, offered or exposed for sale as mixtures in containers of more than one pound, have affixed, in a conspicuous place on the exterior of the container of such mixture, a label in plainly written or printed English, stating;

(1) That the seed is a mixture;

(2) The name and approximate percentage by weight of each kind of agricultural seed per-cent in excess of five percent by weight of the total mixture:

(3) The approximate percentage by weight of total weed seeds:

(4) The name and approximate number per ounce of each kind of noxious weed seeds present;

(5) The approximate percentage of germination of each kind of agricultural seed present in the mixture if it is in excess five percent by weight, together with the month and year the seed was tested;

(6) The full name and address of the seller of the mixture; and

(7) The name of the state where the seed was grown, and if this is unknown, a statement to that effect.

Sec. 3. Section 250.060 of the Kentucky Revised Statutes is amended to read as follows:

Special mixtures of agricultural seeds, except as specified in KRS 250.050, shall, when sold, offered or exposed for sale in bulk, or containers in excess of one pound, have affixed in a conspicuous place on the exterior of the container of the mixture a label in plainly written or printed English, stating:

(1) That the seed is a mixture;

(2) The name of each kind of agricultural seed present in proportion of five percent or more of the total mixture;

(3) The approximate total percentage by weight of weed seeds;

(4) The approximate percentage, by weight, of inert matter;

(5) The name and approximate number per ounce of each kind of noxious weed seeds present; and

(6) The full name and address of the seller of the mixture.

Sec. 4. Section 250.070 of the Kentucky Revised Statutes is amended to read as follows:

The labels specified in KRS 250.040 to 250.060 shall be purchased from the director or his agent. Prices of the labels shall be eight cents each for one hundred pound labels, six cents each for seventy-five pound labels, four cents each for fifty pound labels and two cents each for twenty-five pound labels for alfalfa, sweet clover and all grass and clover seeds or mixtures of any of these, and four cents each for one hundred pound labels, three cents each for seventy-five pound labels, two cents each for fifty pound labels, and one cent each for twenty-five pound labels, for all other agricultural seeds except tobacco. The gummed labels for uncertified tobacco seed shall be furnished for one cent each.

Said Committee amendment to said bill is as follows, viz:

Amend printed copy of House Bill No. 16 on page 2, section 1, line 37, by adding, at the end of line 37 of Section 1 on page 2, the following additional sentence:

"This test shall be made during the nine-month period just prior to the date the seed is offered for sale." And by adding, immediately following the above sentence, the following additional subsection:

"(4) It shall be unlawful to sell or offer for sale tobacco seed that have been grown in one year and comingled with those grown in any other year."

Said Committee amendment to said bill was agreed to.

Ordered that said bill be engrossed and read at length the third time.

Mr. Calvert moved that the Constitutional provision as to

the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	James H. Polsgrove
Bill Adams	George F. Harris	Leonard W. Preston
Edgar Arnett	Paul E. Hayes	Hobart Rayburn
Clarence J. Barnum	Harold G. Helm	W. R. Reasor
C. E. Baumgardner	William K. Henry	Carl J. Ruh
Leonard T. Bean	E. R. Hilton	Amos Runyan
John D. Beatty	Ray Holbrook	Dr. Roy Sanders
Fred Beshear	Chester J. Holsclaw	LeRoy Saylor
R. O. Blevins	W. M. Horn, Jr.	Roy Searcy
L. E. Bradley	Richard R. Houpt	Paul E. Shannon
Edward O. Bridgers	Durham W. Howard	James S. Shaw
Thomas L. Britton	Paul S. Jonas	Jesse H. Shelton
Charles J. Bronston	Barkley Jones	Forest Smith
J. D. Buckman, Jr.	William Jones	Joseph T. Snapp
Mrs. Mary E. Burnett	James W. Lambert	John M. Spaulding
Charles W. Burnley	Jesse H. Lawrence	J. Claude Stacy
Alex Calvert	Mrs. J. T. Linton	Roy Steers
Stanley Carter	Homer E. Losey	Raymond D. Stigall
Paul Combs	A. L. (Chick) Love	Mrs. Thelma Stovall
Josh R. Cosby	Harry K. Lowman	W. R. Stringer
B. H. Crider	True Mackey	Egbert V. Taylor
Owen Deering	Damon Majors	Rev. T. H. Tinsley
G. I. Drury	G. Lee McClain	Ralph N. Walter
Roscoe C. Estepp, Sr.	Jack McPherron	Fred M. Warns
Mitchell S. Fannin	Emmett G. Moore	Morris Weintraub
Henry C. Hale	C. S. Nabb	G. F. Williamson
Chester A. Hammons	Dr. C. E. Palmore	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Calvert moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 35. AN ACT relating to the consolidation of the various revolving fund accounts of the Department of Agriculture.

Said bill is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Those revolving fund accounts created by statute and those established by the biennial budget bill for the use of the Department of Agriculture shall be consolidated into a single revolving fund account within the Revolving, Trust and Agency Fund in the State Treasury to be used by the Department of Agriculture for the administration and enforcement, generally, of those laws under which accrue the receipts paid into the revolving fund account.

Ordered that said bill be read at length the third time.

Mr. Moorman moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Walter R. Moorman
Bill Adams	George F. Harris	C. S. Nabb
Edgar Arnett	Paul E. Hayes	Dr. C. E. Palmore
Clarence J. Barnum	John A. Head	James H. Polsgrove
C. E. Baumgardner	Harold G. Helm	Leonard W. Preston
Leonard T. Bean	William K. Henry	Hobart Rayburn
John D. Beatty	Ray Holbrook	W. R. Reasor
Fred Beshear	Chester J. Holsclaw	Carl J. Ruh
R. O. Blevins	W. H. Horn, Jr.	Amos Runyan
L. E. Bradley	Richard R. Houpt	LeRoy Saylor
Edward O. Bridgers	Silas Jacobs	Roy Searcy
Thomas L. Britton	Paul S. Jonas	Paul E. Shannon
Charles J. Bronston	Barkley Jones	James S. Shaw
J. D. Buckman, Jr.	William Jones	Jesse H. Shelton
Mrs. Mary E. Burnett	James W. Lambert	Forest Smith
Charles W. Burnley	Jesse H. Lawrence	Joseph T. Snapp
Stanley Carter	Mrs. J. T. Linton	John M. Spaulding
Paul Combs	Homer E. Losey	J. Claude Stacy
Josh R. Cosby	A. L. (Chick) Love	Roy Steers
B. H. Crider	Harry K. Lowman	Raymond D. Stigall
Owen Deering	True Mackey	Mrs. Thelma Stovall
G. I. Drury	Damon Majors	W. R. Stringer
Roscoe C. Estepp, Sr.	G. Lee McClain	Rev. T. H. Tinsley
Mitchell S. Fannin	Jack McPherron	Ralph N. Walter
Henry C. Hale	Alton Mitchell	Fred M. Warns
Chester A. Hammons	Emmett G. Moore	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Moorman moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 39. AN ACT relating to the collection and publication of dairy statistics.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The term "dairy products" includes milk and cream in all fluid forms and products made therefrom, including ice cream made from prepared mix.

Sec. 2. The Department of Agriculture, Labor and Statistics shall collect and publish annually, or more frequently at the discretion of the Department, data and information relating to the production and marketing of dairy products. For such purpose, the Department shall mail or cause to be mailed to each owner or operator of a dairy plant a blank or blanks on which to submit the required data and information. Each owner or operator of a dairy plant receiving such blank or blanks shall, during the thirty days next following the receipt thereof, return the same to said Department properly filled out with all the information and data required therein.

Sec. 3. All data and information supplied by persons or plants under this Act shall be published by the Department but in such form as not to disclose the individual operation of such person or plants. Copies of this published report shall be made available to each individual or plant supplying the data required under this Act.

Sec. 4. Any owner or operator of a dairy plant who shall fail to comply with the provisions of this Act or any part thereof shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $100.

Ordered that said bill be read at length the third time.

Mr. Searcy moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	C. S. Nabb
Bill Adams	Paul E. Hayes	Dr. C. E. Palmore
Edgar Arnett	John A. Head	James H. Polsgrove
Clarence J. Barnum	Harold G. Helm	Leonard W. Preston
C. E. Baumgardner	William K. Henry	Hobart Rayburn
Leonard T. Bean	E. R. Hilton	W. R. Reasor
John D. Beatty	Ray Holbrook	Carl J. Ruh
Fred Beshear	Chester J. Holsclaw	Amos Runyan
R. O. Blevins	W. M. Horn, Jr.	LeRoy Saylor
L. E. Bradley	Richard R. Houpt	Roy Searcy
Edward O. Bridgers	Maurice G. Howard	Paul E. Shannon
Thomas L. Britton	Silas Jacobs	James S. Shaw
Charles J. Bronston	Barkley Jones	Forest Smith
J. D. Buckman, Jr.	William Jones	Joseph T. Snapp
Mrs. Mary E. Burnett	James W. Lambert	John M. Spaulding
Charles W. Burnley	Jesse H. Lawrence	J. Claude Stacy
Alex Calvert	Mrs. J. T. Linton	Roy Steers
Stanley Carter	Homer E. Losey	Raymond D. Stigall
Paul Combs	A. L. (Chick) Love	Mrs. Thelma Stovall
Josh R. Cosby	Harry K. Lowman	W. R. Stringer
B. H. Crider	True Mackey	Egbert V. Taylor
Owen Deering	Damon Majors	Rev. T. H. Tinsley
G. I. Drury	G. Lee McClain	Ralph N. Walter
Roscoe C. Estepp, Sr.	Jack McPherron	Fred M. Warns
Mitchell S. Fannin	Alton Mitchell	Morris Weintraub
Henry C. Hale	Emmett G. Moore	G. F. Williamson
Chester A. Hammons	Walter R. Moorman	Charles W. Wirsch
James P. Hanratty		—82

Resolved that the title thereof be as aforesaid.

Mr. Searcy moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Dr. Sanders moved that the rules be suspended for the purpose of introducing a guest.

Said motion was unanimously agreed to.

Thereupon, the Honorable Adron Doran, Speaker, introduced Mrs. Sally Baker, of Pikeville, Kentucky, to the members of the House.

Dr. Sanders moved that the Speaker's introduction of Mrs. Sally Baker to the members of the House be spread at length upon the Journal.

Said motion was agreed to.

Said introduction is as follows, viz:

Mrs. Sally Baker of Pikeville, Kentucky, was recently chosen from 100,000 contestants as the QUEEN OF AMERICA.

Mrs. Baker was nominated by the Women's Society of Christian Service of Pikeville because of her outstanding service during the past 25 years as a nurse in the mountains and rural sections of Eastern Kentucky.

After being selected as one of five finalists, she was called to Hollywood, California, and was crowned QUEEN OF AMERICA.

"Queen Sally" has not only brought nation-wide publicity to her native state and community, but she has commanded international attention and will be entertained by royalty on her forthcoming trip to England, Paris and other countries.

I consider it a great privilege and a most exalted honor to be able to introduce to you at this time, Queen Sally Baker—Queen of America.

Dr. Sanders moved that the rules be suspended for the purpose of introducing a guest.

Said motion was unanimously agreed to.

Thereupon, Dr. Sanders presented Mr. F. W. "Red" Baker, husband of Mrs. Sally Baker, Queen of America, to the members of the House.

Dr. Sanders moved that the rules be suspended and the privilege of the floor extended to Mr. F. W. "Red" Baker.

Said motion was unanimously agreed to.

Dr. Sanders moved that the rules be suspended for the purpose of introducing guests, and extending to them the privilege of the floor.

Said motion was unanimously agreed to.

Thereupon, Dr. Sanders introduced to the members of the House the following, viz:

Mrs. Bessie R. Arnold, Clerk of Pike County;

Mr. John Moore, Deputy U. S. Marshal, of Pike County;

Mrs. Drury Roberts;

Mrs. Ervin Sanders;

Miss Katherine Runyan; and

Miss Joe Ann Johnson.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 40. AN ACT relating to the duties of the State Board of Agriculture.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The State Board of Agriculture, in order to continue the meritorious service performed by the Agricultural Production and Marketing Commission, whose authority has now terminated, is authorized to make, or to order made, a complete and thorough study and survey of the production, marketing, transportation, processing and use of each agricultural commodity produced in Kentucky, on the basis of each individual county and upon the basis of the state as a whole. In so doing, the board shall have authority to obtain information and to receive cooperation and assistance from any public agency, state or federal. Every state agency, at the request of the board shall make available to the board such information, statistics and reports as are at the disposal of such agency, and shall cooperate with the board by furnishing personnel and facilities to assist in performing the functions set out in this section.

Ordered that said bill be read at length the third time.

Mr. Moorman moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John D. Beatty	J. D. Buckman, Jr.
Bill Adams	Fred Beshear	Mrs. Mary E. Burnett
Edgar Arnett	R. O. Blevins	Charles W. Burnley
Sidney Baer	L. E. Bradley	Alex Calvert
Clarence J. Barnum	Edward O. Bridgers	Paul Combs
C. E. Baumgardner	Thomas L. Britton	Josh R. Cosby
Leonard T. Bean	Charles J. Bronston	B. H. Crider

Owen Deering	Silas Jacobs	Carl J. Ruh
G. I. Drury	Barkley Jones	Amos Runyan
Thomas R. Duncan	William Jones	Dr. Roy Sanders
Roscoe C. Estepp, Sr.	James W. Lambert	LeRoy Saylor
Mitchell S. Fannin	Mrs. J. T. Linton	Paul E. Shannon
Chester A. Hammons	A. L. (Chick) Love	James S. Shaw
James P. Hanratty	True Mackey	Joseph T. Snapp
George F. Harris	Damon Majors	John M. Spaulding
Paul E. Hayes	G. Lee McClain	J. Claude Stacy
John A. Head	Emmett G. Moore	Raymond D. Stigall
Harold G. Helm	Fred H. Morgan	Mrs. Thelma Stovall
William K. Henry	C. S. Nabb	W. R. Stringer
E. R. Hilton	Dr. C. E. Palmore	Egbert V. Taylor
Chester J. Holsclaw	James H. Polsgrove	Ralph N. Walter
W. M. Horn, Jr.	Leonard W. Preston	Fred M. Warns
Richard R. Houpt	Hobart Rayburn	G. F. Williamson
Durham W. Howard	W. R. Reasor	Charles W. Wirsch
Robert N. Hubbard		

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Resolved that the title thereof be as aforesaid.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 41. AN ACT relating to weights and measures, and weighing and measuring devices.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, unless the context otherwise requires:

(1) "Department" means the Department of Agriculture, Labor and Statistics.

(2) "Division" means the Division of Weights and Measures.

(3) "Weights, measures, and weighing or measuring devices" includes all weights, scales, beams, measures of every kind, instruments and mechanical devices for weighing or measuring, and any appliances and accessories connected therewith.

Sec. 2. The power and duty to administer and enforce this Act is vested in the Department of Agriculture, Labor and Statistics, and shall be exercised under the supervision of the Commissioner of Agriculture, Labor and Statistics, through the Division of Weights and Measures, which is hereby created within the department. The division shall be headed by a director appointed by the Commissioner of Agriculture, Labor and Statistics, and shall have such personnel as may be determined and appointed by the Commissioner. The director of the division shall receive a salary of not more than $5,000 annually.

Sec. 3. The weights and measures received from the United States under joint resolutions of Congress, approved June 14, 1836, and July 27, 1866, and such new weights and measures as shall be received from the United States as standard weights and measures in addition thereto or in renewal thereof, shall be the state standards of weights and measures. Such additional weights and measures as may from time to time be procured by the division and certified by the National Bureau of Standards, shall also constitute a part of the state standards of weights and measures.

Sec. 4. In addition to the state standards of weights and measures, there shall be procured by the division at least one complete set of copies of the state standards, to be kept at all times in the offices of the department, and to be known as office standards. The division shall further procure such other weights and measures as may be found necessary to carry out the provisions of this Act, to be known as working standards. The office standards and the working standards shall be verified by the director of the division upon their initial receipt and at least once in each year thereafter, the office standards being verified by direct comparison with the state standards, and the working standards being verified by direct comparison with the office standards. When found accurate upon these tests, the office standards and working standards shall be sealed and have stamped upon them the letters "KY", and in the case of the working standards, the last two figures of the year, with seals which the division shall have and keep for that purpose. The office and working standards shall be used in making all comparisons of weights, measures, and weighing or measuring

devices submitted to the department for test, and the state standards shall be used only in verifying the office standards and for scientific purposes.

Sec. 5. The department shall take charge of the state standards of weights and measures, including those now in the custody of the Secretary of State, and shall cause them to be kept in a safe and suitable place in the offices of the department, from which they shall not be removed except for repair or for certification, and the department shall take all necessary precautions for their safekeeping. The department shall maintain the state standards in good order and shall submit them at least once each ten years to the National Bureau of Standards for certification. The department shall keep a complete record of the standards and other weighing and measuring apparatus belonging to the state.

Sec. 6. The department shall have power to promulgate regulations for the administration of this Act, including specifically the power to prescribe specifications, tolerances and variances for all weights, measures, and weighing or measuring devices in commercial use in this state.

Sec. 7. Any city of the first, second or third class shall have power, by ordinance, to provide for a city sealer of weights and measures, with necessary assistants. When any such city establishes the position of city sealer, it shall procure from the department, at the expense of the city, a set of working standards of weights and measures certified by the department as a correct copy of the office standard of the department, and sealed by the department in the same manner as the working standards of the department. The city sealer shall have the same powers within the city as are conferred upon the department by Sections 8, 9 and 10 of this Act, such powers to be exercised under the general control or supervision of the department. The city working standards shall be submitted to the department for verification at least once each 5 years. The department shall have power to inspect the standards and other weighing and measuring apparatus used by city sealers and to inspect the work of the city sealers. The department may prescribe regulations for the guidance of the city sealers, which regulations shall govern the

procedure to be followed by city sealers in the discharge of their duties.

Sec. 8. The department shall have the power to inspect, test, try, and ascertain if they are correct, all weights, measures, and weighing or measuring devices kept, offered, or exposed for sale in this state, or commercially used or employed in proving the size, quantity, extent, area, or measurement of quantities, things, produce, or articles for distribution or consumption, purchased or offered or submitted for sale, hire or award, or in computing any charge for services rendered on the basis of weight or measure, or in determining weight or measure when a charge is made for such determination, except that this power shall not extend to meters of public utilities companies which are tested by authority of the Public Service Commission, and except that this power shall be subject to the provisions of KRS 351.180 and 352.520. For the purposes mentioned in this section, and in the enforcement and administration of this Act, the director and inspectors in the employ of the division may, without warrant, enter and go into or upon any stand, place, building or premises, or stop any vendor, peddler, itinerant buyer, or person in charge of any delivery vehicle, and require him, if necessary, to proceed to some suitable place where the inspection or test contemplated by this section may be made.

Sec. 9. Whenever the department compares weights, measures, or weighing or measuring devices and finds that they correspond with the working standards, within the allowable tolerances or variances, the department shall seal or mark the same with appropriate devices. The department shall condemn and seize and may destroy incorrect weights, measures, and weighing or measuring devices which, in the judgment of the department, are not susceptible of satisfactory repair. The department shall mark or tag as "condemned for repairs" any weights, measures, or weighing or measuring devices which it finds to be incorrect but which, in the judgment of the department, may be repaired; in such event, the owner or user shall have the same repaired and corrected within such reasonable period as may be specified by the department, and shall not use or dispose of the same in any way until they have been approved by the department as having been satisfactorily repaired.

Any weights, measures, or weighing or measuring devices which have been condemned for repairs and have not ben repaired within the time and in the manner required by the department, shall be confiscated by the department.

Sec. 10. The director of the division and inspectors in the employ of the division shall have the powers of peace officers in the enforcement of this Act, may arrest, without warrant, any person violating this Act, and may seize for use as evidence, without warrant, any false or incorrect weight, measure, or weighing or measuring device found to be used, retained, or offered or exposed for sale, or sold, in violation of this Act.

Sec. 11. It shall be unlawful to sell or offer to sell any coal, coke, or charcoal in any other manner than by weight. No person shall deliver any coal, coke, or charcoal without each individual delivery being accompanied by duplicate delivery tickets on which shall be shown, in ink or other indelible substance, distinctly expressed in pounds, the net weight or weights of coal, coke, or charcoal comprising the delivery, and the gross and tare weights from which each net weight shown is computed, with the name of the purchaser thereof and the name of the dealer from whom purchased. One of these tickets shall be delivered to the purchaser or his agent or representative at the time of delivery of the coal, coke, or charcoal, and the other ticket shall be retained by the seller. Upon demand of the director of the division or an inspector in the employ of the division, or of a city sealer, either during or after delivery of the coal, coke, or charcoal, the buyer or seller shall surrender the delivery ticket for inspection. When the buyer carries away the purchase from the premises of the seller, a delivery ticket showing the exact number of pounds delivered to him shall be given to him by the seller at the time the sale is made.

Sec. 12. (1) No person shall use, sell, offer or expose for sale or hire, or have in possession for the purpose of using, selling or hiring, a false weight or measure, or weighing or measuring device, or any device or instrument to be used to or calculated to falsify any weight or measure.

(2) No person shall dispose of any condemned weight or

measure or weighing or measuring device in a manner contrary to law.

(3) No person shall remove from any weight, measure, or weighing or measuring device, any tag or seal or mark placed thereon by the department or by a city sealer.

(4) No person shall sell, or offer or expose for sale less than the quantity he represents of any commodity, thing or service.

(5) No person shall take more than the quantity represented of any commodity, thing or service when as buyer he furnishes the weight, measure, or weighing or measuring device by means of which the amount of the commodity, thing or service is determined.

(6) No person shall use in retail trade, except in preparation of packages put up in advance of sale, a weighing or measuring device which is not so positioned that its indications may accurately be read and the weighing and measuring operation observed from some position which may reasonably be assumed by a customer.

Sec. 13. Any person who violates any provision of this Act shall be fined not less than $25 nor more than $100, or imprisoned in the county jail for not less than 10 days nor more than 60 days, or both.

Sec. 14. Nothing in this Act shall prohibit cities from enforcing ordinances regulating weights and measures not in conflict with this Act or with the regulations of the department thereunder.

Sec. 15. Section 246.030 of the Kentucky Revised Statutes is amended to read as follows:

The department shall consist of:

(1) The Commissioner;

(2) The Board of Agriculture;

(3) The State Fair Board;

(4) The Division of Markets;

(5) The Division of Weights and Measures; and

(6) The Board of Veterinary Examiners.

Sec. 16. KRS 261.010 to 261.990, KRS 363.010, 363.020,

363.110 to 363.160, subsections (7), (8) and (9) of KRS 363.990 and subsection (2) of KRS 248.310, are repealed.

Sec. 17. This Act shall take effect on July 1, 1950.

Mr. Reasor offered the following amendments to said bill, viz:

Amendment No. 1. Amend printed copy of House Bill No. 41, on page 4, section 7, line 11, by inserting the figures "8, 9 and 10" after the word "Sections" at the beginning of line 11.

Amendment No. 2. Amend printed copy of House Bill No. 41 on page 5, section 8, line 12, by substituting a comma in place of the period following the word "Commission" in line 12 and adding thereafter the words "and except that this power shall be subject to the provisions of KRS 351.180 and 352.520."

Said amendments to said bill were each and severally agreed to.

Ordered that said bill be engrossed and read at length the third time.

Mr. Searcy moved that the Constitutional provision as to the third reading at length of said bill be dispened with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

Mr. Preston moved that he be excused from voting on said bill.

Without objection, said motion was agreed to.

The yeas and nays being taken on the passage of said bill

in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	James P. Hanratty	Dr. C. E. Palmore
Edgar Arnett	George F. Harris	James H. Polsgrove
Sidney Baer	John A. Head	W. R. Reasor
Clarence J. Barnum	Harold G. Helm	Carl J. Ruh
C. E. Baumgardner	William K. Henry	Amos Runyan
Leonard T. Bean	Ray Holbrook	Dr. Roy Sanders
John D. Beatty	Chester J. Holsclaw	LeRoy Saylor
Fred Beshear	W. M. Horn, Jr.	Roy Searcy
R. O. Blevins	Richard R. Houpt	Paul E. Shannon
Edward O. Bridgers	Maurice G. Howard	James S. Shaw
Thomas L. Britton	Robert N. Hubbard	Forest Smith
Charles J. Bronston	Paul S. Jonas	Joseph T. Snapp
J. D. Buckman, Jr.	Barkley Jones	John M. Spaulding
Mrs. Mary E. Burnett	William Jones	J. Claude Stacy
Alex Calvert	James W. Lambert	Raymond D. Stigall
Stanley Carter	Mrs. J. T. Linton	Mrs. Thelma Stovall
Paul Combs	A. L. (Chick) Love	W. R. Stringer
Josh R. Cosby	Harry K. Lowman	Egbert V. Taylor
Owen Deering	True Mackey	Rev. T. H. Tinsley
G. I. Drury	Emmett G. Moore	Ralph N. Walter
Thomas R. Duncan	Walter R. Moorman	Fred M. Warns
Mitchell S. Fannin	Fred H. Morgan	Morris Weintraub
Chester A. Hammons	C. S. Nabb	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Searcy moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Duncan moved that the rules be suspended and the privilege of the floor extended to Mr. James Hunt, County Attorney of Henderson County; Mr. Fred Vogel, County Judge of Henderson County; Mr. Grover Conley, County Road Superintendent of Henderson County; Mr. Clay Tapp; Mr. V. B. Dun-

can; Mr. Rodman Davis; Mr. Homer Taylor and Mr. Hosey Smith.

Said motion was unanimously agreed to.

The Speaker announced that he had referred a bill heretofore introduced, as follows, viz:

H. B. No. 92—Committee on Veterans' Legislation

Mr. Hanratty moved that the House do now adjourn to meet again at 10 o'clock, a.m., Wednesday, January 18, 1950.

Said motion was agreed to.

And then the House adjourned.

WEDNESDAY, JANUARY 18, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend Edward W. Baxter, pastor of the Church of the Ascension, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	Edward O. Bridgers	Thomas R. Duncan
Bill Adams	Thomas L. Britton	R. C. Estepp, Sr.
Edgar Arnett	Charles J. Bronston	Mitchell S. Fannin
Sidney Baer	J. D. Buckman, Jr.	Henry C. Hale
Walter J. Bailey	Mrs. Mary Burnett	C. A. Hammons
Clarence J. Barnum	Charles W. Burnley	James P. Hanratty
C. E. Baumgardner	Alex Calvert	George F. Harris
Leonard T. Bean	Stanley Carter	Paul E. Hayes
John D. Beatty	Josh R. Cosby	John A. Head
Fred Beshear	B. H. Crider	Harold G. Helm
R. O. Blevins	Owen Deering	William K. Henry
L. E. Bradley	G. I. Drury	Ray Holbrook

Woodrow W. Hollan
W. M. Horn, Jr.
Richard R. Houpt
Maurice G. Howard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
Jesse H. Lawrence
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
Harry K. Lowman
True Mackey
Damon Majors
John Martin
William T. Marshall
G. Lee McClain
Jack McPherron
Alton Mitchell
Archie R. Moore
Emmett G. Moore
Walter R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
Leonard W. Preston
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
Amos Runyan
Dr. Roy Sanders
LeRoy Saylor
Roy Searcy
Paul E. Shannon
Jesse H. Shelton
Forest Smith
John M. Spaulding
J. Claude Stacy
Roy Steers
Raymond D. Stigall
Mrs. Thelma Stovall
Egbert V. Taylor
M. G. Thompson
Rev. T. H. Tinsley
Ralph N. Walter
Fred M. Warns
Lyle H. Webb
Morris Weintraub
G. F. Williamson
Charles W. Wirsch
Adron, Doran, Speaker
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Mr. Harris moved that the reading of the Journal of the proceedings of Tuesday, January 17, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed a bill which originated in this House of the following title, viz:

H. B. No. 14. AN ACT relating to appropriations for the operation, maintenance, support and functioning of the Government of the Commonwealth of Kentucky and its various offices, departments, boards, commissions, institutions, subdivisions, agencies and other state supported activities, and declaring an emergency to exist.

Ordered that said bill be delivered to the Enrolling Clerk of this House.

The message which was received from the Senate also an-

nounced that they had adopted a resolution which originated in that body of the following title, viz:

S. Res. No. 11. A JOINT RESOLUTION petitioning Congress to provide for the canalization of the Big Sandy River.

Said resolution is as follows, viz:

Whereas, the general welfare of Eastern Kentucky is dependent upon the full scale operation of the coal industry in that section of the State, and

Whereas, all the people of the State of Kentucky benefit from the economic well-being of any of its sections, and

Whereas, the coal industry in the Big Sandy Valley of Eastern Kentucky is at a distinct disadvantage in competing with coal producing regions of some other states, which are able to ship their coal to market by river as well as other means of transportation, and

Whereas, widespread unemployment has developed in the Big Sandy Valley due to this situation, and

Whereas, the building of a series of locks and dams on the Big Sandy River would provide a new means of transportation for coal from that area, thereby putting the valley in an equal competitive situation with that of other areas, and

Whereas, the U. S. Corps of Engineers has recommended the canalization of the Big Sandy River as being a project worthy of construction by the Federal Government, in the question of providing funds for this project is now before the U. S. Congress, Now, Therefore,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

The U. S. Congress is hereby requested to appropriate funds to begin the construction of locks and dams on the Big Sandy River, so as to provide a stage of water which will make possible year-round transportation on that river. The Congress is requested to make such funds available immediately to the U. S. Corps of Engineers, so that construction of locks and dams can begin during the year 1951.

Ordered that said resolution be laid on the Clerk's desk.

Mr. Hayes moved that leaves of absence be granted to Messrs. Combs, Hilton, Holsclaw, Durham W. Howard, Hubbard, Lambert, Polsgrove, Shaw, Sheehan, Snapp, Stringer and Waterfield.

Said motion was agreed to.

Mr. Calvert moved that the rules be suspended and the privilege of the floor extended to Mr. Walter A. Crockett.

Said motion was unanimously agreed to.

Mr. Shannon moved that the rules be suspended and the privilege of the floor extended to Mr. Linderman, Mr. Fuss and Mr. Davis.

Said motion was unanimously agreed to.

Mr. Burnley moved that the rules be suspended and the privilege of the floor extended to Mr. and Mrs. Taylor.

Said motion was unanimously agreed to.

Mr. Maurice G. Howard moved that the rules be suspended and the privilege of the floor extended to Mr. Delbert Cunningham.

Said motion was unanimously agreed to.

Mr. Thompson moved that the rules be suspended and the privilege of the floor extended to Mr. R. D. Thomas.

Said motion was unanimously agreed to.

REPORT OF COMMITTEE ON ENROLLMENT

Mr. Hollan of the Committee on Enrollment reported that said committee had examined and found to be correctly enrolled a bill of the following title, viz:

H. B. No. 14. AN ACT relating to appropriations for the operation, maintenance, support and functioning of the Government of the Commonwealth of Kentucky and its various offices, departments, boards, commissions, institutions, subdivisions, agencies and other State supported activities, and declaring an emergency to exist.

Mr. Preston arose and spoke to a point of personal privilege.

Thereupon, all other business was suspended, said bill was read at length and compared in open session and found to be correctly enrolled; and, thereupon, the Speaker of the House, in open session and in the presence of the House, affixed his signature thereto.

Ordered that the Enrolling Clerk of the House deliver said bill to the Senate.

After a time the Enrolling Clerk aforesaid delivered the original and enrolled copies of said bill, duly signed by the President of the Senate, into the possession of the Chief Clerk of this House.

Ordered that said bill be delivered by the Chief Clerk to the Governor.

After a time the Chief Clerk reported that he had discharged that duty.

Bills of the following titles were introduced, viz:

By Mr. Warns.

H. B. No. 95. AN ACT relating to penalties for violation of laws concerning pharmacists, amending Section 315.990 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 315.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person violating subsection (1) of KRS 315.020 shall be fined not less than one hundred dollars nor more than one thousand dollars or imprisoned in the county jail for not more than six months, or both.

(2) Any person who violates subsection (2) of KRS 315.020 shall be fined not less than twenty-five dollars nor more than one hundred dollars for each offense. Each week that this subsection is violated shall constitute a separate offense.

(3) Any person who violates subsection (3) of KRS 315.020 shall be fined not less than fifty dollars nor more than two hundred dollars for each offense.

(4) Any person violating KRS 315.030 shall be fined for each offense not less than one hundred dollars nor more than one thousand dollars or imprisoned in the county jail for six months, or both. Each week that an establishment is operated in violation of KRS 315.030 shall constitute a separate offense.

(5) Any proprietor or person in charge of a pharmacy who violates subsection (2) or (3) of KRS 315.080 shall be fined not less than twenty dollars nor more than one hundred dollars for each offense.

(6) Any person who violates KRS 315.100 shall be fined not less than twenty-five dollars nor more than one hundred dollars for each offense.

(7) Any licensed pharmacist or assistant pharmacist who is habitually intoxicated shall be fined not less than twenty-five dollars nor more than fifty dollars for each offense.

By Messrs. Ruh and Sheehan, Jr.

H. B. No. 96. AN ACT relating to the indexing of real property records in counties containing a city of the second class, including provisions concerning the compensation of persons employed to keep the index systems; amending Section 382.220 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 382.220 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except in counties having a courthouse district as provided in KRS 382.210, the fiscal court in each county containing a city of the second class may in its discretion direct the county clerk to have made in books prepared for that purpose general indexes of the records of all the real property in the county according to a system approved by the fiscal court. The county clerk shall advertise for bids for all the work necessary to install the system under specifications approved by the county judge and shall, with the approval of the fiscal court, enter into a contract with the lowest and best bidder for the work, after requiring him to give bond for the faithful performance of the contract in a sum to be fixed by the fiscal court and approved by the county judge, and when the work has been completed to its satisfaction, the fiscal court shall direct the payment agreed upon out of the general fund of the county.

(2) When general indexes are completed they shall constitute the official indexes and the clerk of the county shall keep the indexes up to date by indexing therein the records of all real property within one month from the time they are lodged for record, and when so indexed the alphabetical cross-index of such instruments need no longer be preserved, and when such records or any part of them become defaced or injured the clerk shall transcribe the defaced or injured records into new books, which shall be as valid in law as the original record.

(3) In order that such additional indexes may be kept correctly and accurately, the fiscal court may employ a competent person to keep the system of indexing and shall pay such person a sum not less than $2,400 nor more than $4,000 per annum, out of the general funds of the county.

By Mr. Love.

H. B. No. 97. AN ACT imposing certain taxes upon wholesalers and retailers of distilled spirits and wine; providing for

the payment and collection of such taxes, and penalties for enforcement; and providing for the disposition of the revenue received from such taxes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Each wholesaler of distilled spirits shall pay to the Department of Revenue, on each case of distilled spirits purchased by him for resale at wholesale, a tax equal to two percent of the price upon which his minimum mark-up resale price is computed as provided for in subsection (3) of KRS 244.390.

Sec. 2. Each wholesaler of wine shall pay to the Department of Revenue, on each case of wine purchased by him for resale at wholesale, a tax equal to four percent of the price upon which his minimum mark-up resale price is computed as provided in subsection (3) of KRS 244.390.

Sec. 3. Each retailer of distilled spirits or wine shall pay to the Department of Revenue, on each case of distilled spirits or wine purchased by him for resale at retail, a tax equal to 6-1/3 percent of the price upon which his minimum mark-up resale price is computed as provided for in subsection (3) of KRS 244.390.

Sec. 4. In computing the minimum mark-up resale price on distilled spirits and wine, under subsection (3) of KRS 244.390, the taxes imposed by this Act shall not be included, it being the intention of this Act that the taxes imposed by this Act shall come within the minimum mark-up resale percentages specified in KRS 244.390.

Sec. 5. The taxes imposed by Sections 1 and 2 of this Act shall be computed each month according to the report required to be filed by KRS 243.850, and shall be paid on or before the date in each succeeding month when reports are required to be filed.

Sec. 6. Each retailer of distilled spirits or wine shall file monthly reports in the manner and within the time prescribed by

KRS 243.850 for wholesalers; the taxes imposed by Section 3 of this Act shall be computed each month according to the reports so required to be filed, and shall be paid on or before the date in each succeeding month when reports are required to be filed.

Sec. 7. Any person who fails to pay the taxes imposed by this Act when due shall pay a penalty equal to twenty percent of the amount of tax due and delinquent together with interest at six percent per annum.

Sec. 8. Any person who violates any provision of this Act shall be fined not less than fifty dollars nor more than one thousand dollars, or be imprisoned in the county jail for not less than thirty days nor more than six months, or both.

Sec. 9. The revenue received under this Act shall be credited to the General Expenditure Fund in the State Treasury.

By Messrs. Hale and Hayes.

H. B. No. 98. AN ACT relating to railroads, amending Section 276.480 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 276.480 of the Kentucky Revised Statutes is amended to read as follows:

(1) When any carrier by railroad desires to discontinue passenger service on any line of railroad or branch thereof in this state, it shall make application therefor to the Railroad Commission of Kentucky; thereupon the Commission shall give such notice to the public and shall conduct such hearing on the application as the Commission may by order prescribe. If after such hearing, the Commission shall be of the opinion that it is in the public interest to permit discontinuance of the passenger service it shall enter an order approving such discontinuance. No carrier by railroad shall discontinue any passenger train or substitute a mixed train for a passenger train on any line of rail-

road or branch thereof until said Railroad Commission shall have authorized the discontinuance or substitution in accordance with the provisions of this section, provided, however, this clause shall not apply to seasonal passenger trains.

(2) Any railroad company that has established and maintained throughout the year, for five consecutive years, a passenger station at a point on its line, shall not abandon the station without the written consent of the Railroad Commission.

Ordered that said bills be printed and referred.

REPORT OF COMMITTEE

Mrs. Burnett of the Committee on Appropriations, to which the same had previously been referred, reported a resolution of the following title, viz:

H. Res. No. 6. A JOINT RESOLUTION providing for an inquiry into and investigation of the affairs, activities and management of the Department of Kentucky State Police; providing for a committee to make such inquiry and investigation and prescribing its powers and duties; providing for the appropriation and disposition of funds for such committee, and declaring an emergency.

With the expression of opinion that same should pass.

Whereupon, said resolution was read at length for the first time and

Ordered placed in the Calendar.

Mr. Hanratty moved that the House do now adjourn to meet again at 8 o'clock, p.m., Monday, January 23, 1950.

Said motion was agreed to.

And then the House adjourned.

MONDAY, JANUARY 23, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend O. Leland Gilmore, pastor of the First Presbyterian Church, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	George F. Harris	Archie R. Moore
Bill Adams	Paul E. Hayes	Emmett G. Moore
Edgar Arnett	John A. Head	Walter R. Moorman
Sidney Baer	Harold G. Helm	Fred H. Morgan
Walter J. Bailey	William K. Henry	C. S. Nabb
Clarence J. Barnum	E. R. Hilton	Dr. C. E. Palmore
C. E. Baumgardner	Ray Holbrook	James H. Polsgrove
Leonard T. Bean	Woodrow W. Hollan	W. R. Reasor
John D. Beatty	Chester J. Holsclaw	Carl J. Ruh
Fred Beshear	W. M. Horn, Jr.	Amos Runyan
L. E. Bradley	Richard R. Houpt	Dr. Roy Sanders
Edward O. Bridgers	Durham W. Howard	LeRoy Saylor
Thomas L. Britton	Maurice G. Howard	Roy Searcy
Charles J. Bronston	Robert N. Hubbard	Paul E. Shannon
J. D. Buckman, Jr.	Silas Jacobs	James S. Shaw
Mrs. Mary Burnett	Paul S. Jonas	Gus Sheehan, Jr.
Charles W. Burnley	Barkley Jones	Jesse H. Shelton
Alex Calvert	William Jones	Forest Smith
Stanley Carter	James W. Lambert	Joseph T. Snapp
Paul Combs	Jesse H. Lawrence	John M. Spaulding
Josh R. Cosby	Mrs. J. T. Linton	J. Claude Stacy
B. H. Crider	Homer E. Losey	Roy Steers
Owen Deering	A. L. (Chick) Love	Raymond D. Stigall
G. I. Drury	Harry K. Lowman	Mrs. Thelma Stovall
Thomas R. Duncan	True Mackey	W. R. Stringer
Roscoe C. Estepp, Sr.	Damon Majors	Egbert V. Taylor
Mitchell S. Fannin	John Martin	M. G. Thompson
Henry C. Hale	William T. Marshall	Rev. T. H. Tinsley
C. A. Hammons	Jack McPherron	Ralph N. Walter
James P. Hanratty	Alton Mitchell	Fred M. Warns

Harry L. Waterfield G. F. Williamson Adron Doran,
Lyle H. Webb Charles W. Wirsch Speaker
Morris Weintraub —94

Mr. Harris moved that the reading of the Journal of the proceedings of Wednesday, January 18, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Waterfield moved that the rules be suspended and the privilege of the floor extended to Mr. Harry Brody.

Said motion was unanimously agreed to.

Mr. Jonas moved that the rules be suspended and the privilege of the floor extended to Messrs. E. R. Prichard, F. P. Fitzpatrick and Richard Hall.

Said motion was unanimously agreed to.

Mr. Hollan moved that the rules be suspended and the privilege of the floor extended to Mr. L. K. Rice.

Said motion was unanimously agreed to.

Dr. Sanders moved that the rules be suspended and the privilege of the floor extended to Mrs. William Marshal.

Said motion was unanimously agreed to.

Mr. Beshear moved that the rules be suspended and the privilege of the floor extended to Mr. John H. Cox.

Said motion was unanimously agreed to.

Mrs. Burnett moved that the rules be suspended and the privilege of the floor extended to Mrs. Tom Duncan.

Said motion was unanimously agreed to.

Mr. McPherron moved that the rules be suspended and the privilege of the floor extended to Mr. and Mrs. Les Richardson.

Said motion was unanimously agreed to.

Mr. Hubbard moved that the rules be suspended and the privilege of the floor extended to Mrs. James Howe.

Said motion was unanimously agreed to.

Mr. Combs moved that the rules be suspended and the privilege of the floor extended to Messrs. Dewey Daniel, E. H. McGuire and Dr. J. C. Steele.

Said motion was unanimously agreed to.

Mrs. Burnett moved that the rules be suspended and Evette Duncan be made Honorary Page for the day.

Said motion was unanimously agreed to.

Mr. Lowman moved that the rules be suspended and the privilege of the floor extended to Mr. Hiram Redmon.

Said motion was unanimously agreed to.

Mr. Carter moved that the rules be suspended and the privilege of the floor extended to Mrs. Barbara Satterwhite.

Said motion was unanimously agreed to.

Mr. Losey moved that the rules be suspended and the privilege of the floor extended to Mrs. Durham Howard.

Said motion was unanimously agreed to.

Mr. Carter moved that the rules be suspended and the privilege of the floor extended to Mr. Thomas Satterwhite.

Said motion was unanimously agreed to.

Mr. Hubbard moved that the rules be suspended and the privilege of the floor extended to Mrs. Robert N. Hubbard.

Said motion was unanimously agreed to.

Mr. Fannin moved that the rules be suspended and the privilege of the floor extended to Mr. James Carter and Mr. Bobbie Right.

Said motion was unanimously agreed to.

Mr. Maurice G. Howard moved that the rules be suspended and the privilege of the floor extended to Dr. G. Howard and Mr. Clyde Howard.

Said motion was unanimously agreed to.

Mr. McPherron moved that the rules be suspended and the privilege of the floor extended to Mr. Vernon Jones.

Said motion was unanimously agreed to.

Resolutions of the following titles were introduced, viz:

By Dr. Sanders and Mr. Runyan.

H. Res. No. 13. A JOINT RESOLUTION authorizing Marlene Bartley of Lookout, Pike County, Kentucky, by her guardian or next friend to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Marlene Bartley, of Lookout, Pike County, Kentucky, is authorized to sue the Commonwealth of Kentucky, in the Pike Circuit Court, for damages resulting from personal injuries and for medical expenses caused by alleged negligence on the part of the Commonwealth of Kentucky, its Department of Highways, by and through its officers, agents and employees, acting or failing to act in the line of duty as agents of the Commonwealth.

The Attorney General of the Commonwealth of Kentucky, may investigate the claim herein and settle same before or after suit is filed if he deems settlement to be to the best interest of the Commonwealth. Any amount recovered in any action filed pursuant to this Resolution, or by settlement with the Attorney General, shall be paid out of the road fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer. In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this Resolution shall be considered by either the court or the jury as an admission of negligence upon the part of the Commonwealth and this Resolution shall not be introduced as evidence for either party nor commented upon by counsel in argument to the jury.

H. Res. No. 14. A JOINT RESOLUTION authorizing Richard Blackwell of Lookout, Pike County, Kentucky, by his guardian or next friend to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Richard Blackwell, of Lookout, Pike County, Kentucky, is authorized to sue the Commonwealth of Kentucky, in the Pike Circuit Court, for damages resulting from personal injuries and for medical expenses caused by alleged negligence on the part of the Commonwealth of Kentucky, its Department of Highways, by and through its officers, agents and employees, acting or failing to act in the line of duty as agents of the Commonwealth.

The Attorney General of the Commonwealth of Kentucky, may investigate the claim herein and settle same before or after suit is filed if he deems settlement to be to the best interest of the Commonwealth. Any amount recovered in any action filed pursuant to this Resolution, or by settlement with the Attorney General, shall be paid out of the road fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer. In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this Resolution shall be considered by either the court or the jury as an admission of negligence upon the part of the Commonwealth and this Resolution shall not be introduced as evidence for either party nor commented upon by counsel in argument to the jury.

H. Res. No. 15. A JOINT RESOLUTION authorizing Annie Blackwell of Lookout, Pike County, Kentucky, to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Annie Blackwell, of Lookout, Pike County, Kentucky, is authorized to sue the Commonwealth of Kentucky, in the Pike Circuit Court, for damages to her automobile caused by alleged negligence on the part of the Commonwealth of Kentucky, its Department of Highways, by and through its officers, agents and employees, acting or failing to act in the line of duty as agents of the Commonwealth.

The Attorney General of the Commonwealth of Kentucky, may investigate the claim herein and settle same before or after suit is filed if he deems settlement to be to the best interest of the Commonwealth. Any amount recovered in any action filed pursuant to this Resolution, or by settlement with the Attorney General, shall be paid out of the road fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer. In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this Resolution shall be considered by either the court or the jury as an admission of negligence upon the part of the Commonwealth and this Resolution shall not be introduced as evidence for either party nor commented upon by counsel in argument to the jury.

Ordered that said resolutions be printed and referred.

Mr. McPherron moved that the rules be suspended and the privilege of the floor extended to Mr. V. Jones.

Said motion was unanimously agreed to.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed a resolution which originated in this House of the following title, viz:

H. Res. No. 3. A JOINT RESOLUTION providing for an inquiry into and investigation of the affairs, activities and management of the Kentucky Department of Aeronautics; providing for a committee to make such inquiry and investigation and prescribing its powers and duties; providing for the appropriation and disposition of funds for such committee, and declaring an emergency.

Ordered that said resolution be delivered to the Enrolling Clerk of this House.

The message which was received from the Senate also announced that they had concurred in a resolution which originated in this House of the following title, viz:

H. Res. A. A CONCURRENT RESOLUTION calling upon the Department of Highways to construct a bridge across the Cumberland River above Cumberland Falls, said bridge to be designated the "Ed Gatliff Memorial Bridge."

A resolution of the following title was introduced, viz:

By Dr. Sanders and Mr. Runyan.

H. Res. No. 16. A JOINT RESOLUTION authorizing Buford Keeton of Lookout, Pike County, Kentucky, by his guardian or next friend to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

§ 1. That Buford Keeton, of Lookout, Pike County, Ken-

tucky, is authorized to sue the Commonwealth of Kentucky in the Pike Circuit Court, for damages resulting from personal injuries and for medical expenses caused by alleged negligence on the part of the Commonwealth of Kentucky, its Department of Highways, by and through its officers, agents and employees, acting or failing to act in the line of duty as agents of the Commonwealth.

§ 2. The Attorney General of the Commonwealth of Kentucky, may investigate the claim herein and settle same before or after suit is filed if he deems settlement to be to the best interest of the Commonwealth. Any amount recovered in any action filed pursuant to this Resolution, or by settlement with the Attorney General, shall be paid out of the road fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer. In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

§ 3. No statement in this Resolution shall be considered by either the court or the jury as an admission of negligence upon the part of the Commonwealth and this Resolution shall not be introduced as evidence for either party nor commented upon by counsel in argument to the jury.

Ordered that said resolution be printed and referred.

Bills of the following titles were introduced, viz:

By Mr. Hanratty.

H. B. No. 99. AN ACT relating to revenue and taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (1) of Section 133.120 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any taxpayer aggrieved by an assessment made by the tax commissioner may appeal to the board of supervisors. A

letter or other written petition stating the reasons for appeal shall be filed with the county clerk between the date the inspection period begins and the date the board of supervisors convenes. The board of supervisors may review and change any assessment made by the tax commissioner upon recommendation of the tax commissioner, Department of Revenue, county judge, chief finance officer of any city using the county assessment or the superintendent of any school district in which the property is located, provided, such recommendation is made to the board in writing specifying the property recommended for review. If the board of supervisors determines that any such assessment should be increased, then it shall give the taxpayer notice in the manner required by Subsection (2) of KRS 132.450, specifying a date when the board will hear the taxpayer, if he so desires, in protest of such increase.

Section 2. WHEREAS, the county officials mentioned in KRS 133.120 as amended must make their recommendations to the county board of supervisors in February, 1950, now therefore, an emergency is hereby declared to exist and this Act shall become a law and take effect immediately upon its passage and approval by the Governor.

H. B. No. 100. AN ACT relating to coin vending machines, repealing Kentucky Revised Statutes, Sections 137.260, 137.270, 137.280, 137.290, 137.300, 137.310, 137.320, 137.330, and subsection (6) of 137.990, and declaring an emergency.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS Sections 137.260, 137.270, 137.280, 137.290, 137.300, 137.310, 137.320, 137.330, and subsection (6) of 137.990 are repealed.

Section 2. Whereas experience has demonstrated that KRS Sections 137.260 to 137.330 and subsection (6) of 137.990 are rife with unresolved legal questions and in the light of these it is impossible to administer the taxes equitably or without unreasonable expense and effort; therefore an emergency is de-

clared, and this act shall become effective upon approval by the Governor.

By Mr. Baer.

H. B. No. 101. AN ACT relating to juvenile affairs; providing, among other things, for jurisdiction of courts in juvenile and related matters; for court clerks, stenographers, and commissioners; for the handling and disposition of juvenile matters; for advisory boards; for a State Commission on Juvenile Affairs; for probation officers; and making an appropriation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. KRS 199.020 is amended to read as follows:

The circuit courts shall have exclusive jurisdiction of all dependent, neglected and delinquent children. A special record book shall be kept by the court for all such cases, to be known as the "Juvenile Record" and the docket or calendar of such cases shall be called the "Juvenile Docket". The court for the trial and disposition of such cases shall be called the "Juvenile Session of the Circuit Court," and in every regular term of a circuit court having terms there shall be at least one such session. In connection with such cases, the circuit judge shall have the same powers in vacation or term time that are conferred by KRS 23.150 for other cases.

Sec. 2. KRS 199.030 is amended to read as follows:

(1) The clerk of each circuit court shall be clerk of the juvenile session of the circuit court. He shall attend all sessions of the court and shall keep a complete and indexed record of its proceedings. For his services the fiscal court shall make him a reasonable allowance, to be paid out of the county treasury.

(2) In counties having a city of the first or second class, the circuit court may appoint a stenographer who shall take down in shorthand such evidence offered in the proceedings as the court or commissioner deems necessary. The stenographer shall make a transcript of the evidence taken down and file it with the

papers of the proceeding. The stenographer shall perform such other duties as are assigned to him by the circuit court or commissioner, and shall receive a salary fixed by the fiscal court, not to exceed Sixty Dollars per month.

Sec. 3. KRS 199.050 is amended to read as follows:

(1) Any reputable resident of a county having knowledge of a child in the county who appears to be dependent, neglected or delinquent, and which child is not an inmate of any state institution or an institution incorporated in Kentucky for the care and correction of children, or any reform or industrial school, may file a petition with the circuit court clerk, setting forth such facts, verified by affidavit. The affidavit may be upon information and belief.

(2) The petition shall set forth:

(a) The name and residence of the parents, or if the name and residence is unknown, the name and residence of the person having custody, control or supervision of the child;

(b) If the child is illegitimate, the name of its mother; or

(c) If it is alleged that both parents are dead, or that the mother of an illegitimate child is dead, then the name of the guardian, or if no guardian is known, then the name of some near relative, or that such is unknown to the petitioner.

(3) All persons named in the petition shall be notified as provided in KRS 199.060.

(4) In any case the circuit judge or commissioner may appoint a suitable person to act in behalf of the child.

Sec. 4. KRS 199.080 is amended to read as follows:

(1) If a male child of 17 years of age or less, or a female child of 18 years or less, is arrested for any cause, with or without warrant, the juvenile session of the circuit court shall have exclusive original jurisdiction of such person. Following arrest, he shall be taken directly before the court or the commissioner thereof and if for any reason he is taken before any other court or judge, his case shall be immediately transferred to the juvenile session of the circuit court.

(2) The juvenile session shall have custody of the child and shall give the notices, make an investigation and conduct a

hearing as if upon petition filed under KRS 199.050. At the conclusion of the hearing, if the court believes that the infant has committed a crime, it may dispose of him as a delinquent child under the provisions of KRS 199.140, or in its discretion may make an order transferring the case to the criminal docket, to be proceeded against in accordance with the laws governing crimes, subject to the provisions of subsection (3) of this section.

(3) When the juvenile session transfers such a case to the criminal docket:

(a) If a grand jury considers the case and is satisfied there is sufficient evidence to indict the child, it may either return an indictment or return a written report to the circuit court recommending that the child be committed to the house of reform. If the court believes that such commitment would be proper, it may order the child committed to the house of reform.

(b) If, during any stage of the trial for an offense punishable by imprisonment, the defendant or his parent or guardian so requests, the presiding judge in his discretion may stop the trial and commit the defendant to the house of reform.

(c) If neither of the procedures in paragraphs (a) and (b) are employed, the child shall be tried as any other defendant.

(4) A minor may give bond or security for his appearance in court, the same as any other person.

Sec. 5. KRS 199.130 is amended to read as follows:

(1) When any child is found to be dependent or neglected, the court may, if the home of the child is a suitable place for the child, allow the child to remain in its own home, subject to the friendly visitation of the commissioner or of a probation officer. The child shall report to such commissioner or probation officer as often as required.

(2) If the person having custody of the child consents thereto, or is unfit, unable or unwilling to care for, protect, educate or discipline the child, and it is for the best interests of the child and of the State that such child be taken from the person having its custody, the court may:

(a) Cause the child to be placed in a suitable home, subject to the friendly visitation and supervision of the commissioner or of a probation officer;

(b) When provision for payment of board has been made, cause the child to be boarded out in some suitable family home, subject to the friendly visitation and supervision of the commissioner or of a probation officer; or

(c) Commit the child to an institution for the care of neglected or dependent children that will receive the child.

(3) The court shall not commit any dependent or neglected child to any institution receiving delinquent children unless provision is made to separate delinquent from neglected or dependent children.

(4) Any child committed under this section shall be committed for such time during his minority as the court prescribes, and the court may set aside or modify its order at any time.

Sec. 6. KRS 199.135 is repealed.

Sec. 7. KRS 199.140 is amended to read as follows:

(1) When any child is found to be delinquent, the court may, if the home of the child is a suitable place for the child, allow the child to remain in its own home, subject to the friendly visitation of a probation officer or the commissioner. The child shall report to the probation officer or the commissioner as often as required, and shall be subject to further court proceedings when such proceedings appear necessary.

(2) If the person having custody of the child consents thereto, or is unfit, unable or unwilling to care for, protect, educate or discipline the child, and it is for the interest of the child and of the state that such child be taken from the person having its custody, the court may:

(a) Permit the child to remain in its home subject to the friendly visitation and supervision of a probation officer or the commissioner and subject to further order of the court;

(b) Cause the child to be placed in a suitable family home;

(c) In case provision for payment of board is made, cause the child to be boarded out in a suitable family home subject

to the friendly visitation of a probation officer or the commissioner and the further order of the court, until the child can be placed in a home without such payment; or

(d) Commit the child to a detention school, house of reform or any institution for the care of neglected, dependent or delinquent children that will receive the child.

(3) Any institution receiving a child under the provisions of this section shall train and educate the child subject to the rules and laws governing the institution, and may release the child subject to the approval of the juvenile session of the circuit court and subject to such conditions as the court prescribes.

(4) No child committed under this section shall be committed beyond the age of twenty-one years.

Sec. 8. KRS 199.200 is amended to read as follows:

(1) If it appears that the parents of any neglected, dependent or delinquent child are able to contribute to the support of the child, the court shall enter an order requiring the parents to pay a reasonable sum from time to time for the support, maintenance or education of the child. The order shall direct that the money be paid to the circuit court clerk to be disbursed as ordered by the court or be paid to the person, institution or state house of reform to which the child was committed. The court may on application, and on such notice as the court may direct, make alterations in the allowance.

(2) The court may require the parents to give reasonable security for the payment of the sums due, and shall have the powers of a court of equity in enforcing its orders.

Sec. 9. KRS 199.210 is amended to read as follows:

Each October each circuit court clerk shall submit to the Governor a report showing the number and disposition of dependent, neglected or delinquent children brought before the court, together with any other useful information obtained during the trial, regarding the cases and the parentage of the children. Such report shall be upon blanks furnished by the Secretary of State and shall not disclose the name or identity of any such child or parent. The report shall not be published at the expense of the state.

Sec. 10. KRS 199.230 is amended to read as follows:

(1) The circuit court of each judicial district may appoint a board of not less than six nor more than ten reputable inhabitants of the district, to be ealled the advisory board of the circuit court, juvenile session. The members of the board shall hold office during the pleasure of the court, and shall serve without compensation.

(2) The board shall advise and cooperate with the circuit court upon all matters affecting the workings of KRS 199.020 to 199.310, and shall recommend to the court any needful measures for the purpose of carrying out the provisions of KRS 199.020 to 199.310.

Sec. 11. A new section of the Kentucky Revised Statutes is hereby created, to be numbered 199.235, and to read as follows:

(1) The circuit court of each judicial district of this State shall appoint or designate a commissioner of the juvenile session for the district to serve during the pleasure of the court, at a salary of Forty-eight Hundred Dollars ($4,800.00) per year. In courts composed of more than one judge, the appointment or designation shall be made in general term.

(2) When one county comprises the judicial district, the commissioner's salary shall be paid by the fiscal court out of the county levy; when more than one county comprises the judicial district, his salary shall be paid out of the county levy in equal portions by the fiscal courts of the several counties comprising the district.

(3) In addition to the commissioner, each circuit court shall have the authority to appoint a commissioner pro tem who shall perform the functions of the commissioner during the absence of the commissioner from the district, or during his illness or other disability. The commissioner pro tem shall have the same qualifications and shall be paid at the same salary rate as the commissioner, on a per diem basis, in the manner provided in KRS 199.235 (2).

(4) All cases arising under this chapter within the district shall automatically and without necessity for motion or formal order, be referred of record to the commissioner for an investiga-

tion, hearing, emergency action when necessary, and report and recommendations to the court. Upon the filing of the report and recommendations of the commissioner, the court shall, after consideration of the same, and of any and all exceptions taken thereto, enter such orders, judgments or decrees as it deems advisable in the premises.

Sec. 12. Section 199.240 of the Kentucky Revised Statutes is hereby repealed, and there is enacted in lieu thereof a new section to be numbered 199.240, and to read as follows:

The circuit court of each judicial district of the State may appoint or designate one or more persons to serve as probation officers, to serve during the pleasure of the court, and to be paid a salary fixed by the court and paid out of the county levy, in the manner provided in KRS 199.235 (2).

Sec. 13. A new section of the Kentucky Revised Statutes is hereby created, to be numbered 199.245, and to read as follows:

The Commissioner and probation officers appointed pursuant to KRS 199.235 and 199.240 shall be allowed their actual and necessary expenses incurred in the performance of their duties; said expenses to be paid as provided in KRS 199.235 (2).

Sec. 14. A new section of the Kentucky Revised Statutes is hereby created, to be numbered 199.246 and to read as follows:

The commissioners and probation officers appointed pursuant to KRS 199.235 and 199.240 shall have all the powers of sheriffs and county patrolmen in making arrests.

Sec. 15. KRS 199.250 is amended to read as follows:

Whenever a petition is filed under KRS 199.050 or whenever a child is before the circuit court in juvenile session as provided in KRS 199.080, the probation officers shall:

(1) Make a thorough investigation, as soon as possible, of the nature of the specific act complained of, and any circumstances surrounding the child which throw light upon the future care and guidance which should be given it. This investigation shall include an inquiry into its exact age, habits, school record, general reputation and everything which may pertain to its life and character. This investigation shall also include an inquiry

into the home conditions, life and character of the person having its custody. The result of this inquiry shall be presented in writing to the judge of the court previous to the hearing of the child's case and shall become a part of the record of the proceedings.

(2) Be present in court to represent the interest of the child when the cases investigated by them are heard, furnish such information as may be required, advise with the court as to the proper disposition of the case, and take such charge of the child before and after the hearing as may be ordered.

(3) Keep themselves informed as to the condition and conduct of children placed on probation to them, and as far as practicable, aid and encourage such children, by friendly advice and admonition, to keep the terms of their probation, and by the exercise of interest and concern in their welfare, reclaim them from evil courses.

(4) Report to the chief probation officer or to the court when ordered.

Sec. 16. A new section of the Kentucky Revised Statutes is hereby created, to be numbered 199.265, and to read as follows:

(1) There is hereby created a Commission on Juvenile Affairs to be composed of three members. The Governor shall appoint the three members, one from each of three lists composed of five names, one list to be furnished by the Head of the Department of Social Work of the University of Kentucky, one by the Dean of the Kent School of Social Work of the University of Louisville, and one by the President of the Kentucky Bar Association. Each member of the Commission shall serve for a term of four years, and until his successor shall have been appointed and qualified.

(2) The Commission shall meet at least once and not more than six times in each year, at such place or places within the Commonwealth as may be selected by them. The Commission shall make such rules as to the manner of holding its meetings and conducting its proceedings as it deems proper. Accurate records of the proceedings shall be kept.

(3) The duties of the Commission shall be to set up, maintain and from time to time alter in their discretion qualifications for the office of Commissioner and Probation Officer of the Juve-

nile Session of the Circuit Court, and to advise the several Circuit Judges of the standards so set up. No Commissioner or Probation Officer shall be appointed who does not meet the qualifications prescribed by the Commission.

(4) The Commission shall keep such records and statistics pertaining to the administration of this chapter in the several judicial districts as it deems proper. The Commission shall in its discretion make such recommendations to the several circuit judges pertaining to the administration of this chapter as it deems proper in order to assist the judges in establishing a uniform system of administering juvenile affairs throughout the Commonwealth, insofar as may be practicable.

(5) It shall be the further duty of the Commission to render an annual report to the Judicial Council. The Commission shall perform such other duties in connection with juvenile affairs as the Judicial Council shall from time to time prescribe.

(6) The members of the Commission shall be paid fifteen ($15.00) Dollars per day out of the State Treasury for each day they are in session, and shall in addition be reimbursed for their actual and necessary travel and living expenses, while attending to the affairs of the Commission. The Commission shall be allowed not to exceed Twelve Hundred Dollars ($1,200.00) per year, to be paid out of the State Treasury for clerical assistance.

Sec. 17. KRS 199.280 is amended to read as follows:

(1) No probation officer shall, without the consent of the circuit court, divulge or communicate to any person other than the court or the board provided for in KRS 199.230, an information obtained pursuant to the discharge of his duties, nor shall any record of any proceedings be made public, except by leave of the judge of the circuit court.

(2) This section shall relieve the probation officer from divulging such facts as a witness on the trial of any case, or the hearing of any proceedings, or the production of such records for use on any trial proceedings.

Sec. 18 Paragraph (c) of subsection (2) of KRS 199.990 is amended to read as follows:

The juvenile session of the circuit court shall have exclusive jurisdiction of all prosecutions under KRS 199.320.

Sec. 19. Section 362 of the Code of Practice in Criminal Cases is amended to read as follows:

If a judgment against a defendant on a trial before a county judge, or in a justice's court or in a police court, unless otherwise provided in the statutes creating or regulating it, be for imprisonment or for a fine of twenty dollars or more, he shall have the right of appeal to the circuit court of the county in which the judgment is rendered.

Sec. 20. Any cases or matters arising under KRS Chapter 199 which are pending in the juvenile session of any county court at the time this Act takes effect shall be transferred to and disposed of by the juvenile session of the circuit court of the county.

Sec. 21. In order to carry out the purposes of KRS 199.265, there is appropriated, out of the General Expenditure Fund in the State Treasury, the sum of $2,500 each year for each of the fiscal years 1950-51 and 1951-52.

By Mr. Marshall.

H. B. No. 102. AN ACT relating to teachers' retirement, amending subsection (3) of Section 161.620 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Subsection (3) of section 161.620 of the Kentucky Revised Statutes is amended to read as follows:

(3) Including hiring retired members and members who retire subsequently, no retirement allowance shall be less than one hundred dollars per month.

Sec. 2. This Act shall become effective July 1, 1950.

By Mr. Hilton.

H. B. No. 103. AN ACT relating to the excise tax on pari-mutuel betting at running and trotting horse tracks; amending Section 138.510 of the Kentucky Revised Statutes so as to provide for increase of the tax; and providing for the revenue from the tax.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 138.510 of the Kentucky Revised Statutes is amended to read as follows:

An excise tax is imposed on every person, corporation or association which operates a running or trotting horse race track at which betting is conducted through a pari-mutuel or other similar system. The tax shall be an amount equal to ten percent of the total amount of all money deposited in pari-mutuel pools or similar pools (including any pool, such as a daily double pool, even though tickets sold for such a pool are not vended by a mechanical or electrical device nor the totals of such a pool computed and determined by a totalizator).

Sec. 2. The revenue from the tax imposed by KRS 138.510 shall be paid into the State Treasury and credited to the General Expenditure Fund for general state purposes.

By Mr. Williamson.

H. B. No. 104. AN ACT relating to the exemption of personal property for widows and infant children.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 391.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) Where any person dies intestate as to his personal estate, or any part thereof, the surplus, after payment of funeral

expenses, charges of administration and debts, shall pass and be distributed among the same persons, and in the same proportions, to whom and in which real estate is directed to descend, except as follows:

(a) The personal estate of an infant shall be distributed as if he had died after full age.

(b) An alien may be a distributee as though he were a citizen.

(c) Personal property or money on hand or in bank to the amount of $1500 shall be exempt from distribution and sale and shall be set apart by the appraisers of the estate of an intestate to his widow and infant children, or, if there is no widow, to his infant children surviving him. The widow of any deceased person may, at any time before the appraisers and the administrator of his estate are appointed, procure on petition from the judge of the county court having jurisdiction over administration of his estate, an order authorizing her to withdraw from any bank or other depository or depositories not exceeding $500 belonging to the estate of the deceased. Upon presentation of said order, any such bank or depository shall permit her to withdraw said sum and shall lodge said order, endorsing thereon the amount withdrawn, with the clerk of said county court, and he shall deliver it to the appraisers when they are appointed, who shall treat the same as a charge against the property of the estate exempt from distribution. A like amount of $1500 of property or cash shall be exempt from distribution and sale and shall be set apart by the appraisers to the surviving infant children of a widow who dies intestate.

(2) The appraisers shall state in their appraisement the money or the articles and value of each, set apart by them to the widow or infants, separately from the articles appraised for sale. If the widow or anyone authorized by her in writing is present at the time of the appraisement, she may make her selection out of the property appraised to the amount of $1500 and the appraisers shall so report.

(3) This section applies to cases where the husband dies testate and the widow renounces the provisions of the will as provided in KRS 392.080.

By Dr. Sanders.

H. B. No. 105. AN ACT relating to the budget report made by the Governor to the General Assembly.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. In addition to all other reports and statements contained in the budget report as provided for in Section 45.040 of the Kentucky Revised Statutes, the budget shall include:

(1) An audit of the receipts and expenditures of every budget unit for each of the two fiscal years last concluded.

(2) A copy of the accounts kept by the Treasurer in accordance with Section 41.280 of the Kentucky Revised Statutes and a copy of the accounts kept by the Department of Finance in accordance with Section 45.300 of the Kentucky Revised Statutes.

Sec. 2. Each member of the General Assembly shall be provided with a copy of the audits and accounts required in Section 1 of this Act at the time of the presentation of the budget report.

By Mr. Burnley.

H. B. No. 106. AN ACT relating to the excise tax on pari-mutuel betting at running and trotting horse tracks; amending Section 138.510 of the Kentucky Revised Statutes so as to provide for increase of the tax; and providing for the disposition of the revenue from the tax.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 138.510 of the Kentucky Revised Statutes is amended to read as follows:

An excise tax is imposed on every person, corporation or association which operates a running or trotting horse race track at which betting is conducted through a pari-mutuel or other similar system. The tax shall be an amount equal to six percent of the total amount of all money deposited in pari-mutuel pools or similar pools (including any pool, such as a daily double pool, even though tickets sold for such a pool are not vended by a mechanical or electrical device nor the totals of such a pool computed and determined by a totalizator).

Sec. 2. The revenue from the tax imposed by KRS 138.510 shall be paid into the State Treasury and credited to the General Expenditure Fund for general state purposes.

By Mr. Williamson.

H. B. No. 107. AN ACT relating to contracts and separate estate of married women, amending KRS 404.010.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 404.010, Kentucky Revised Statutes is hereby repealed, amended and re-enacted so that as amended and re-enacted it shall read as follows:

"(1) Marriage shall give to the husband, during the life of the wife, no estate or interest in the wife's property, real or personal, owned at the time or acquired after the marriage. During the existence of the marriage relation the wife shall hold and own all her estate to her separate and exclusive use, and free from the debts liabilities or control of her husband."

"(2) After the effective date of this Act a married woman may make a contract to answer for the debt, default or misdoing of another, including her husband, except that no married woman may he held liable as surety for any person in connection with any criminal proceeding, and her estate shall be subjected to the payment or satisfaction of such liability, so contracted for,

provided, however, no part of a married woman's estate shall be subjected to the payment or satisfaction of any liability upon such a contract made after marriage and before the effective date of this Act unless the estate has been set apart for that purpose by mortgage or other conveyance. But a married woman's estate shall be liable for her debts and responsibilities contracted before marriage, and for such contracted after marriage, except as provided in this chapter and in Chapter 392."

By Mr. Jonas.

H. B. No. 108. AN ACT relating to alcoholic beverage licenses; amending subsection (1) of Section 243.230 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (1) of Section 243.230 of the Kentucky Revised Statutes is amended to read as follows:

(1) Licenses to sell distilled spirits and wine by the drink for consumption on the premises may be issued only for premises located within cities of the first, second or third class, or elsewhere in counties containing a city of the first, second or third class if those counties maintain an adequate police force under KRS 70.540 to 70.570 and KRS 70.150 to 70.170, or for premises located in any county upon property which is owned by a county containing a city of the first, second or third class.

By Mr. Hubbard.

H. B. No. 109. AN ACT changing the classification of the City of Munfordville, in Hart County.

Said bill is as follows, viz:

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of

Munfordville, in Hart County, is such as to justify its being assigned to the fifth class of cities.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The City of Munfordville, in Hart County, is transferred from the sixth to the fifth class of cities.

By Mr. Buckman, Jr.

H. B. No. 110. AN ACT imposing a tax on the production of coal, and appropriating the revenue therefrom.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No person shall operate a coal mine in this state for the production of coal for sale or exchange on a commercial basis unless he has obtained from the Department of Revenue a permit to engage in the business of producing coal. At the time of the issuance of the permit he shall pay to the state, through the Department of Revenue, a tax of fifteen cents for each ton of coal for which the permit is issued. The permit shall authorize the production of as many tons of coal as is named in the permit, and upon such number of tons being produced such person shall not further operate the mine until he has obtained further permits for such additional tons as he desires to produce, and has paid the tax of fifteen cents for each ton of coal for which such further permits are issued.

Sec. 2. Coal shall be deemed to have been produced, for the purpose of this Act, when it has been weighed at the mine scales or if not so weighed when it has been placed in freight cars, trucks or other vehicles for shipment.

Sec. 3. The Department of Revenue shall have authority to promulgate such regulations as it may deem necessary for the enforcement of this Act and shall have the power, through

its agents and representatives, to inspect the books, records and premises of all persons operating coal mines in this state.

Sec. 4. Any person who violates any of the provisions of Section 1 of this Act shall be fined not less than five hundred dollars nor more than one thousand dollars. Any person who produces coal without first obtaining the permit required by Section I of this Act and paying the tax imposed by that section shall also be civilly liable for the taxes due and for a penalty of twenty percent on the amount of taxes due.

Sec. 5. The revenue derived from this Act shall be paid into the State Treasury, and the amount so paid in during each fiscal year is appropriated to the Common School Per Capita Fund for each such year, for payment and increase of the monthly salaries of teachers and for no other purpose.

By Mr. Helm.

H. B. No. 111. AN ACT relating to crimes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No person shall resist, by violence or by threats of violence, any lawful attempt to place him under arrest; nor shall any person knowingly counsel, advise, or procure any other person to resist by violence or by threats of violence any lawful attempt to arrest.

Sec. 2. Any person guilty of violating Section one of this Act shall be fined not less than ten dollars, nor more than five hundred dollars, or imprisoned in the county jail for a period of thirty days, or both.

By Mr. Lawrence.

H. B. No. 112. AN ACT relating to old age assistance, amending Section 205.030 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 205.030 of the Kentucky Revised Statutes is amended to read as follows:

The amount of old age assistance which shall be granted to any needy aged shall be determined with due regard to the resources and requirements of the individual and the conditions existing in each case and shall be sufficient, when added to all other income and support available to the needy aged, to provide the needy aged with a reasonable subsistence compatible with decency and health. Such old age assistance shall not be less than forty-five dollars nor more than fifty dollars for any month.

Sec. 2. There is hereby appropriated out of the General Expenditure Fund in the State Treasury for each of the fiscal years of 1950-1951 and 1951-1952 the sum necessary to carry out the purposes provided for by this Act.

By Mr. Helm.

H. B. No. 113. AN ACT relating to cigarette tax.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 138.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) A tax shall be paid on the sale of cigarettes made of tobacco, or any substitute for tobacco, of two cents on each ten cents or fractional part thereof of the retail selling price. This tax shall be paid only once, regardless of the number of times the cigarettes may be sold in this state.

(2) This tax shall be paid by affixing stamps in the manner and at the time set forth in this section and in KRS 138.150 to 138.200. The stamps shall be affixed to each individual package of cigarettes by the manufacturer when and as sold, if the cigarettes are manufactured within this state, otherwise they shall be affixed by the wholesaler within seventy-two hours after the

cigarettes are received by him, or if received by a retailer they shall be affixed within twenty-four hours after the cigarettes are received by him. All cigarettes must be stamped before being sold in this state.

(3) The stamps shall be affixed so that the package cannot be opened without breaking the stamp, and so as to require the continued application of steam or water to remove them without opening the package. The methods of breaking packages and of affixing stamps shall be prescribed by the Department of Revenue in such a way as to enforce the provisions of KRS 138.130 to 138.200.

Sec. 2. One half of the revenue received from the tax imposed by KRS 138.140 during the fiscal years of 1950-1951 and 1951-1952 is appropriated for the fiscal years of 1950-1951 and 1951-1952 as follows:

So much as is necessary to the school equalization fund so that when added to the existing school equalization fund, such will equal twenty-five per cent of the total existing appropriation for the common school fund; the balance to the common school per capita fund.

Sec. 3. This Act shall become effective on July 1, 1950.

By Mr. Durham W. Howard.

H. B. No. 114. AN ACT relating to actions for the recovery of real property; fifteen year limitation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 413.010 of the Kentucky Revised Statutes is hereby repealed and re-enacted and as so re-enacted, shall read:

An action for the recovery of real property may be brought only within fifteen years after the right to institute it first accrued to the plaintiff, or to the person through whom he claims; provided that the period of limitation herein shall not be deemed

to begin until notice has been given by the person or persons relying upon such limitation to the person or persons in whose name or names the legal or equitable title to such land may be vested, or apparently vested, according to deeds or other instruments evidencing such title duly recorded according to law; and such notice shall be given by filing a written statement in the office or offices of the clerk of the county or counties in which such real property lies, showing: (a) The name of the person or persons who intend to rely upon such limitation; (b) The name or names of the person or persons whose right, title, interest in, or claim to, real property is adversely involved or affected; and (c) a description of the real property thereby affected. Such notice shall be recorded as a lis pendens notice filed and recorded pursuant to the provisions of Section 382.440 of the Kentucky Revised Statutes.

Section 2. Nothing in this act contained shall be construed as affecting the right of any person or persons to rely upon the fifteen years period of limitation whose claim or right may have accrued before the passage and approval of this Act.

By Messrs. Crider and Moorman.

H. B. No. 115. AN ACT relating to animals running at large.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No person shall permit any cattle owned by him or under his control or in his custody, to run at large.

Sec. 2. If any damage is committed by cattle permitted to run at large, the owner of the cattle shall be liable for all damages, whether the place where the damages occurred is enclosed by lawful fence or not. The person damaged shall have a lien on the cattle committing the damage for the amount of the damage and cost of suit.

Sec. 3. The sheriff or any other peace officer shall impound any cattle found running at large in the county, and the owner

or bailee of the cattle shall pay to the officer impounding, for each head impounded, one dollar and the cost of feeding and taking care of the cattle, but the cost if impounding any number of cattle shall not exceed three dollars and the cost of feeding. The sheriff or any other peace officer shall have a lien on the cattle impounded for his fees and expenses, which he may enforce in the same manner in which mortgage liens are enforced.

Sec. 4. Nothing in this Act shall be construed as limiting any powers possessed by cities to regulate cattle running at large.

Sec. 5. Any person who violates Section 1 of this Act shall be fined not less than five dollars nor more than twenty-five dollars.

Sec. 6. Sections 259.010, 259.020, 259.030, 259.040, 259.050, 259.060, 259.070, 259.080, 259.090, 259.100, and subsection (1) of Section 259.990 of the Kentucky Revised Statutes are repealed.

By Messrs. Durham W. Howard and James Hanratty.

H. B. No. 116. AN ACT relating to insurance.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. There is hereby enacted an Insurance Code for the Commonwealth of Kentucky as follows:

ARTICLE ONE
SCOPE OF CODE

304.001 SHORT TITLE: KRS Chapter 304 constitutes and may be cited as the Kentucky Insurance Code.

304.002 "INSURANCE" DEFINED: Insurance is a contract whereby one undertakes to indemnify another or pay a specified amount upon determinable contingencies.

304.003 "INSURER" DEFINED: "Insurer" includes every person engaged in the business of making contracts of insurance. A reciprocal, an inter-insurance exchange, or a Lloyd's organization is an "insurer."

304.004 COMPLIANCE REQUIRED: No person shall transact a business of insurance in this state without complying with applicable provisions of this code.

304.005 "PERSON" DEFINED: "Person" means any individual, company, insurer, association, organization, group, reciprocal, or inter-insurance exchange, partnership, business trust, or corporation.

304.006 EXISTING LICENSES: Every license or certificate of authority in force at the effective date of this code and existing under any act herein repealed is valid until its original expiration date unless earlier terminated by express order pursuant to this code.

304.007 EXISTING INSURANCE FORMS, FILINGS: Every form of insurance document and every rate or other filing lawfully in use or lawfully filed at the effective date of this code may continue to be so used or be effective, until the commissioner otherwise prescribes pursuant to this code; except, that neither this code nor the commissioner shall prohibit the use of any such document before expiration of one year from and after the effective date of this code.

304.008 EXISTING ACTIONS, VIOLATIONS: No action taken by the commissioner nor proceeding commenced, nor right accrued, nor violation of law existing under any act herein repealed is affected by the repeal, but all procedure hereafter taken in reference thereto shall conform to this code as far as possible.

304.009 HEADINGS: The meaning or scope of any provision is not affected by article, section, or subsection headings.

304.010 PARTICULAR PROVISIONS PREVAIL: Provisions of this code relating to a particular kind of insurance or a particular type of insurer or to a particular matter shall prevail over provisions relating to insurance in general or insurers in general or to such matter in general.

304.011 CONSTITUTIONALITY: If any provision of this code or the application thereof to any circumstance is held invalid, the remainder of the code or the application of the provision to other circumstances shall not be affected thereby. If any part of this code is adjudged to be invalid such judgment shall not invalidate the remainder of this code but shall be confined in its effect solely to the part directly involved in the proceeding in which rendered.

304.013 EXCEPTED ORGANIZATIONS: (1) This code shall not apply to or govern the existence, operations, contracts, officers, directors or representatives of:

(a) Societies, companies or associations organized under the authority and patronage of any church or religious denomination for the exclusive purpose of insuring the property of churches or religious denominations and the personal property or lives of the pastors and ministers thereof.

(b) Fraternal benefit societies, hospital service corporations, medical service corporations, or burial associations except as expressly provided in laws relating to such societies, corporations or associations.

(2) Except as expressly stated in KRS Chapter 299, no article, section provision, or other part or portion of this code except this subsection, and the specific exemptions contained in article sixteen, shall in any manner apply to, govern, or affect domestic assessment or cooperative insurers, or their existence, operations, contracts, policies, or affairs, or their officers, directors, agents, or other employees or representatives as such.

304.014 EFFECTIVE DATE: This code shall become effective on the first day of September, ninteen hundred and fifty.

ARTICLE TWO
INSURANCE COMMISSIONER

304.016 INSURANCE DEPARTMENT: (1) There is created a Department of Insurance, which shall constitute a statutory administrative department of the state government within the meaning of Chapter 12 of the Kentucky Revised Statutes. The department shall be headed by a Commissioner of Insurance.

(2) "Commissioner," where used in this code means the Commissioner of Insurance of this state. "Department," where used in this code means the Department of Insurance.

304.018 COMMISSIONER'S GENERAL POWERS, DUTIES: (1) The commissioner shall have the authority expressly conferred upon him by or reasonably implied from the provisions of this code.

(2) The commissioner shall execute his duties and shall enforce the provisions of this code.

(3) The commissioner may:

(a) Make reasonable rules and regulations for effectuating any

provision of this code. No such rules and regulations shall be effective prior to filing with the Secretary of State as required by law.

(b) Conduct examinations and investigations to determine whether any person has violated any provisions of this code or to secure information useful in the lawful administration of any such provision.

(c) Establish and maintain such branch offices in this state as may reasonably be required for the efficient administration of this code.

304.020 SEAL: (1) The commissioner shall devise a seal for the Department of Insurance, and shall file a description and impression thereof, with a certificate of approval by the Governor, in the office of the Secretary of State.

(2) Every certificate or license issued by the commissioner shall bear the seal of the department.

304.021 DOCUMENTS UNDER SEAL: Every certificate, assignment or conveyance executed by the commissioner, relating to the business of insurance or an insurer, in pursuance of authority conferred by law, and sealed with the seal, shall be received as evidence, and may be recorded in the same manner and with the same effect as a deed regularly acknowledged or proved before an officer authorized by law to take the proof or acknowledgment of deeds.

304.022 ORDERS, NOTICES: (1) Orders and notices of the commissioner shall not be effective unless in writing signed by him or by his authority.

(2) Every such order or notice shall (a) contain a concise statement of the ground on which it is based and (b) designate the provisions of this code pursuant to which action is so taken or proposed to be taken, and (c) the effective date of such order or notice.

(3) An order or a notice may be given by delivery to the person to be ordered or notified or by mailing it, postage prepaid, addressed to him at his residence or principal place of business as last of record in the department.

304.023 ENFORCEMENT: (1) The commissioner may prosecute an action in any circuit court of proper venue to enforce any order made by him pursuant to any provision of this code.

(2) If the commissioner has cause to believe that any person has violated any penal provision of this code or of other laws relating to insurance he shall certify the facts of the violation to the Attorney

General and to the public prosecutor of the jurisdiction in which the offense was committed.

(3) If the commissioner has cause to believe that any person is violating or is about to violate any provision of this code or any order of the commissioner, he may bring an action in any circuit court of proper venue to enjoin the person from continuing the violation or doing any act in furtherance thereof.

(4) The commissioner may employ an attorney, or attorneys, to be on the staff of the Department of Insurance. Such an attorney shall have full power to advise and represent the commissioner and the department in all matters as requested by the commissioner.

(5) The Attorney General and the several Commonwealth Attorneys and County Attorneys throughout this state shall prosecute or defend all proceedings brought in this state pursuant to the provisions of this code when requested by the commissioner.

304.024 COMMISSIONER MAY DELEGATE: Any power, duty, or function vested in the commissioner by any provision of this code may be exercised, discharged, or performed by any deputy, assistant, or examiner of the department acting in the commissioner's name and by his delegated authority.

304.025 RECORDS: (1) The commissioner shall preserve in permanent form records of his proceedings, hearings, investigations, and examinations, and shall file such records in his office.

(2) The commissioner's records and insurance filings in his office shall be open to public inspection, except as otherwise provided in this code.

(3) The commissioner may destroy records, papers, and filings which in his judgment are of no further material value to the state; but he shall not destroy any record, paper, or filing on file with the department for a period of less than six years or made, received, or filed with the department during his administration.

304.027 ANNUAL REPORT: As soon as possible after the annual statements of insurers have been filed in the department, the commission shall annually make and publish a report which shall contain:

(1) A report of the condition of all insurers authorized to do business in this state during the preceding calendar year.

(2) Additional information relative to insurance operations in this state as he deems proper.

304.030 EXAMINATION OF INSURERS: (1) The commissioner may examine the affairs, transactions, accounts, records, documents, and assets of each authorized insurer as often as he deems prudent. He shall so examine each domestic insurer not less frequently than every four (4) years. Examination of an alien insurer may be limited to its insurance transactions in the United States.

304.031 MAY ACCEPT OTHER EXAMINATION: In lieu of any such examination as to a foreign or alien insurer or person the commissioner may accept the full report of a similar examination made by the insurance supervisory official of another state pursuant to the laws of such state.

304.033 EXAMINATION OF AGENTS, MANAGERS, PROMOTERS: For the purpose of ascertaining its condition or compliance with this code the commissioner may as often as he deems prudent examine the insurance accounts, records, documents, and transactions of:

(1) Any insurance agent, solicitor, surplus line broker or public adjuster.

(2) Any person having a contract under which he enjoys in fact the exclusive or dominant right to manage or control an insurer.

(3) Any person holding the shares of capital stock or policyholder proxies of a domestic insurer for the purpose of control of its management either as voting trustee or otherwise.

(4) Any person engaged in or proposing to be engaged in or assisting in the promotion or formation of a domestic insurer, or insurance holding corporation, or stock corporation to finance a domestic mutual insurer, or a corporation to be attorney-in-fact for a domestic reciprocal insurer.

304.034 ACCESS TO RECORDS; CORRECTION: (1) Every person being examined, its officers, employees, agents, and representatives shall produce and make freely accessible to the commissioner or his examiners the accounts, records, documents, and files in his possession or control relating to the subject of the examination, and shall otherwise facilitate the examination.

(2) If the commissioner finds the accounts to be inadequate, improperly kept or posted, he may employ experts to rewrite, post or balance them at the expense of the person being examined, if such person has failed to correct such accounting after the commissioner has given him notice and a reasonable opportunity to do so.

304.035 EXAMINERS AND EXPENSE OF EXAMINATION: (1) The commissioner shall employ such examiners and other assistants as may be necessary to conduct such examinations.

(2) Each insurer or other person being examined by the commissioner shall pay to the commissioner the reasonable and proper charges and expense involved in the examination upon presentation of a detailed account of such charges and expenses. Upon receipt of such payment the commissioner shall deposit the entire amount thereof in a revolving fund account designated "Examination Expense Revolving Fund." Withdrawals shall be made from such accounts for the purpose of payment to such examiners and assistants of their compensation and necessary expenses incurred in conduct of such examination, in the same manner as applies to payment of compensation to other employees of the department.

(3) If any amount in such revolving fund remains unexpended at the end of any fiscal year, that amount shall not lapse, but shall remain credited to the account, and may be used during the succeeding year.

304.036 EXAMINATION REPORTS: (1) The commissioner shall make a full written report of any examination made by him.

(2) The commissioner shall furnish a copy of the report to the person examined not less than twenty (20) days prior to the filing of the report for public inspection in the department. Upon the written request of such person within the twenty (20) day period, the commissioner shall hold a hearing to consider objections of such person to the report as proposed and shall not so file the report until after such hearing, and until after any modifications in the report deemed necessary by the commissioner have been made. The report, when filed for public inspection, shall be admissible in evidence in any action or proceeding brought by the commissioner against the person examined, or its officers or agents; except, that the commissioner or his examiners may at any time testify and offer other proper evidence as to information secured during the course of an examination, whether or not a written report of the examination has at that time been either made, served, or filed in the department.

(3) The commissioner may withhold from public inspection any examination or investigation report for so long as he deems prudent.

304.037 WITNESSES: (1) The commissioner may take depo-

sitions, subpoena witnesses or documentary evidence, administer oaths, and examine under oath any individual relative to the affairs of any person being examined, or relative to the subject of any hearing or investigation.

(2) The subpoena shall have the same force and effect and shall be served in the same manner as if issued from a circuit court of this state.

(3) Witness fees and mileage, if claimed, shall be allowed the same as for testimony in such circuit court. Witness fees, mileage, and the actual expense necessarily incurred in securing attendance of witnesses and their testimony shall be itemized, and shall be paid by the person as to whom the examination is being made, or by the person if other than the commissioner, at whose request the hearing is held.

304.038 CONTEMPT PROCEEDINGS: If any individual fails to obey the subpoena, or obeys the subpoena but refuses to testify when required concerning any matter under examination or investigation or the subject of the hearing, the commissioner shall file his written report thereof and proof of service of his subpoena, in any court of general jurisdiction in the county where the examination, hearing, or investigation is being conducted. Thereupon the court shall forthwith cause the individual to be brought before it and may punish him as if the failure or refusal related to a subpoena from or testimony in that court.

304.039 TESTIMONY COMPELLED: A person shall not be excused from attending and testifying or producing any evidence upon any examination, hearing, or investigation conducted by or under authority of the commissioner, on the ground that his testimony or the evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. Unless such person in writing expressly waives such privilege or immunity, he shall not be prosecuted or punished in any criminal action or proceeding for or on account of any act, transaction, matter or thing concerning which he is so compelled to produce evidence or to testify under oath, except for perjury committed in such testimony.

304.042 HEARINGS: (1) The commissioner shall hold a hearing if required by any provision of this code. He may hold other hearings as he may deem necessary for such purposes as are within the scope of this code.

(2) The hearing shall be held at the place designated by the commissioner, and at his discretion it may be open to the public.

(3) Application for a hearing made to the commissioner pursuant to any provision of this code shall be in writing, shall specify in what respects the persons so applying was aggrieved and the grounds to be relied upon as the basis for the relief to be demanded at the hearing. The commissioner shall hold such hearing applied for within thirty (30) days after his receipt of the application, unless postponed by mutual consent.

304.044 NOTICE OF HEARING: (1) The commissioner shall, not less than ten (10) days in advance, give notice of the time and place of the hearing, specifying the matters to be considered thereat. If the hearing concerns the suspension or revocation of a license the notice shall also specify the grounds for such suspension or revocation.

(2) If the persons to be given notice are not specified in the provision pursuant to which the hearing is held, the commissioner shall give such notice to all persons directly affected by such hearing.

304.046 PROCEDURE AT HEARING: (1) The commissioner shall allow any person affected by the hearing to appear in person and by counsel, to be present during the giving of all evidence, to have a reasonable opportunity to inspect all documentary evidence, to examine witnesses, and to present evidence in support of his interest. Upon good cause shown, the commissioner may permit any person who has a valid interest in the proceeding to intervene, appear, and be heard at the hearing. Formal rules of pleading or evidence need not be observed in the hearing, except that formal rules of evidence shall be followed at the election of any party who communicates notice of such election to all other parties not less than five days prior to the date of the hearing, and upon concurrence in such election by all such other parties other than the commissioner.

(2) The validity of any hearing held in accordance with the notice thereof shall not be affected by failure of any person to attend or to remain in attendance.

(3) The commissioner may adjourn any hearing from time to time and from place to place without other notice of the adjourned hearing than announcement thereof at the hearing.

(4) Upon written request of a party to a hearing the commissioner may grant a rehearing or reargument on the matters involved in such hearing.

(5) At the expense of and at the written request seasonably made by a person affected by the hearing, the commissioner shall cause a full stenographic record of the proceedings to be made by a competent stenographic reporter, and if transcribed, such record shall be made a part of the commissioner's record of the hearing. A copy of such record shall be furnished any other party upon the written request and at the expense of such party.

304.048 RECORDS, ORDER ON HEARING: (1) The commissioner shall keep a true and concise record of the proceedings at the hearing.

(2) Within thirty (30) days after the hearing the commissioner shall make his order thereon setting forth his action taken, the effective date of such action, a designation of the provisions of this code pursuant to which the action is taken, and summarizing his findings in support thereof. The commissioner shall give a copy of such order to each person to whom notice of the hearing was given or required to be given.

304.050 APPEALS FROM THE COMMISSIONER: (1) Any person aggrieved by any order or action of the commissioner may, within thirty (30) days after such order or action has become final, appeal therefrom to the Franklin circuit court by filing a petition for review in such court and serving a copy thereof upon the commissioner and other parties in interest, if any.

(2) The petition shall state fully the grounds upon which a review is sought, assign all errors relied on and be verified by the petitioner. Summons shall issue, upon the petition, directing the adverse party or parties to file answer within fifteen days after service thereof, and directing the commissioner to certify to the court the complete record of the proceedings, if any, upon which such order or action is based.

(3) For the purposes of this section, "person aggrieved" shall include any person directly or indirectly injured or threatened with injury on account of any such order or action whether or not such person was a party to the proceedings, if any, out of which the order or action arose.

304.052 HEARING THE APPEAL: (1) The appeal shall proceed as a cause of equity, and may be heard upon the transcript of the commissioner's record and on such additional proper evidence as may be offered by any party; except, that as to appeals taken from

the commissioner's order or action pursuant to the provisions of article sixteen of this code relating to supervision of rates and rating, no new or additional evidence may be introduced in the circuit court except as to fraud or misconduct of some person engaged in the administration of such provisions and affecting the order or decision appealed from, but the court shall otherwise hear the appeal upon the record as certified by the commissioner. The appeal shall not be limited to questions of law, and the court shall not be bound by an finding of fact made by the commissioner not supported by substantial evidence, nor by any exercise by the commissioner of any discretionary authority conferred on him by this code which the court deems to have been exercised in an arbitrary and unreasonable manner.

(2) The court shall determine whether the appeal shall operate as a stay of any such order or action.

(3) After hearing the appeal the court may affirm, modify, or reverse the order or action of the commissioner in whole or in part, or remand the action to the commissioner for further proceedings in accordance with the court's direction.

(4) Costs shall be awarded as in civil actions.

(5) Appeal may be taken from the judgment of the circuit court as in other civil cases.

ARTICLE THREE
AUTHORIZATION OF INSURERS AND GENERAL REQUIREMENTS

304.060 "DOMESTIC," "FOREIGN," "ALIEN" DEFINED: (1) A "domestic" insurer is one formed under the laws of this state.

(2) A "foreign" insurer is one formed under the laws of any state, as herein defined, other than this state.

(3) An "alien" insurer is one formed under the laws of a Country other than the United States.

304.061 "STATE," "UNITED STATES" DEFINED: (1) For the purpose of this code, "state" means any state of the United States, the territories of Alaska and Hawaii, the Government of Puerto Rico and the District of Columbia.

(2) For the purposes of this code, "United States," when used to signify place, means only the states of the United States of America, the Territories of Alaska and Hawaii, the Government of Puerto Rico, and the District of Columbia.

304.063 AUTHORITY REQUIRED: No person shall act as an insurer and no insurer shall transact insurance in this state except as authorized by a subsisting authority granted to it by the commissioner; except, as to such transactions as are expressly provided for in this code.

304.065 QUALIFICATION FOR AUTHORITY: To qualify for and hold such authority an insurer must:

(1) Be a stock, mutual, reciprocal or Lloyd's insurer of the same general type as may be formed as a domestic insurer under the provisions of this code, except that an insurer organized under special charter provisions shall indicate on its policy the manner of operating in this state, and except further that no foreign or alien insurer formed or transacting insurance upon the assessment or cooperative plans shall be authorized to transact direct insurance in this state; and

(2) have assets in amount not less than the sum of its liabilities (exclusive of capital stock) plus the capital stock, or capital stock and surplus, or surplus as required by this code, based upon the type and domicile of the insurer and the kinds of insurance proposed to be transacted; and

(3) transact or propose to transact in this state insurances which are among those authorized by its charter, and only such insurance as meets the standards and requirements of this code; and

(4) fully comply with, and qualify according to, the other provisions of this code.

304.067 "CHARTER," "CAPITAL FUNDS" DEFINED: (1) "Charter" means articles of incorporation, of agreement, of association or other basic constituent document of a corporation or subscribers' agreement and attorney-in-fact agreement of a reciprocal insurer, or underwriters' agreement and power of attorney of a Lloyd's plan insurer.

(2) "Capital funds" means the excess of the assets of an insurer over its liabilities. Capital stock, if any, shall not be deemed to be a liability for the purposes of this section.

304.069 KINDS OF INSURANCE AUTHORIZED: An insurer which otherwise qualifies therefor may be authorized to transact any one or more kinds of insurance as defined in article nine of this code; except that a life insurer shall transact in addition only disability insurance, but any life insurer which immediately prior to

the effective date of this code held a certificate of authority to transact in this state certain kinds of insurance in addition to life and disability insurance, may continue to be so authorized by the commissioner. A title insurer shall be a stock insurer and shall transact no additional kind of insurance, and a reciprocal or Lloyd's insurer shall not transact life insurance.

304.071 FUNDS REQUIRED: To qualify for authority to transact any one kind of insurance an insurer shall possess and maintain paid-up capital stock or surplus in amount not less than as shown by the applicable portion of the following schedule "A:"

Schedule "A"

KIND OF INSURANCE	Domestic, foreign, alien stock insurers, capital stock required.	Foreign & alien mutuals, reciprocals, & all Lloyd's insurers, as applicable, surplus required	Domestic mutual and reciprocal insurers, surplus required, except as provided in article five as to mutuals.
CASUALTY	$200,000	$200,000	$200,000
DISABILITY	$100,000	$100,000	$100,000
LIFE	$100,000	$100,000	$100,000
LIFE & DISABILITY	$125,000	$125,000	$125,000
PROPERTY	$100,000	$100,000	$100,000
SURETY	$200,000	$200,000	$200,000
VEHICLE	$100,000	$100,000	$100,000
WORKMEN'S COMP.	$200,000	$200,000	$200,000
CREDIT	$100,000	$100,000	$100,000
TITLE	—	As provided in article twenty-seven of this code.	

304.073 ADDITIONAL KINDS OF INSURANCE, FUNDS REQUIRED: (1) An insurer otherwise qualified therefor may be authorized to transact combinations of kinds of insurance while possessing and maintaining additional paid-up capital stock (if a stock insurer) or additional surplus funds (if a mutual, reciprocal, or Lloyd's plan insurer) subject to subsection (2) of this section as to domestic mutual insurers, not less in amount than as determined under the following schedule "B":

SCHEDULE "B"

If authorized to transact: (basic stock insurer capital shown in parentheses)	Additional amount required for authority to transact additional kinds of insurance:						
	Casualty	Disability	Property	Surety	Vehicle	Workmen's Compensation	Credit
Casualty ($200,000)	.....	No additional funds required	$100,000	$150,000	No additional funds required	No additional funds required	No additional funds required
Disability ($100,000)	$100,000	.....	$100,000	$150,000	Qualify for Casualty	Qualify for Casualty	Qualify for Casualty
Property ($100,000)	$200,000	$100,000	.....	$200,000	No additional funds required	Qualify for Casualty	Qualify for Casualty
Surety ($200,000)	$150,000	$ 50,000	$100,000	.....	$100,000	$150,000	No additional funds required
Vehicle ($100,000)	$100,000 see footnote*	Qualify for Casualty	No additional funds required see footnote*	$200,000	.....	Qualify for Casualty	Qualify for Casualty
Workmen's Compensation ($200,000)	No additional funds required	No additional funds required	$100,000	$150,000	No additional funds required	.....	No additional funds required
Credit ($100,000)	$100,000	Qualify for Casualty	Qualify through Casualty	Qualify through Casualty	Qualify for Casualty	Qualify for Casualty	.....

* If a vehicle insurer is authorized also to transact property insurance, it may qualify for casualty insurance only by having $200,000 of capital (if stock insurer) or surplus (if mutual, reciprocal or Lloyd's insurer) in addition to the $100,000 basic capital or surplus requirement.

An insurer while possessing $450,000 of capital (if a stock insurer) or of surplus (if a mutual, reciprocal, or Lloyd's insurer) may be authorized to transact all kinds of insurance other than life and title insurances, subject to KRS 304.075 as to additional surplus required of new insurers.

(2) To qualify for authority to transact a combination of kinds of insurance, a domestic mutual or reciprocal insurer shall possess and maintain surplus funds in amount equal to the paid-up capital stock required of stock insurers for authority to transact a like combination of kinds of insurance.

304.075 NEW INSURERS, ADDITIONAL SURPLUS: In addition to the paid-up capital stock or surplus as required under KRS 304.071 and 304.073, newly formed domestic stock, reciprocal or Lloyd's insurers, newly formed domestic mutual insurers which qualify upon the basis of a deposit in lieu of applications and premiums collected as provided in article five, and foreign and alien insurers which have been insurers for less than five years, shall possess when first authorized bona fide surplus funds equaling in amount not less than fifty per cent (50%) of the capital stock or surplus otherwise required for the kind or kinds of insurance proposed to be transacted.

304.077 DEPOSIT REQUIREMENT, ALIEN INSURERS: (1) No alien insurer shall be authorized to transact insurance in this state unless it deposits and maintains on deposit assets of a value not less in amount than the paid-up capital stock (if a stock insurer) or surplus (if a mutual, reciprocal, or Lloyd's plan insurer) as required to to be maintained for the kind or kinds of insurance to be transacted; except that such deposit shall in no event be less than $200,000.

(2) The deposit shall be for the benefit of all the insurer's policyholders or all its policyholders and creditors in the United States.

(3) The deposit shall be made with the Custodian of Insurance Securities of this state. The commissioner shall in lieu of a deposit, or any part thereof, in this state, accept the certificate of the public official having supervision over insurance in another state showing that deposits by such insurer, or like part thereof, are being maintained by the insurer in such states for the benefit of all of the insurer's policyholders in the United States or all its policyholders and creditors in the United States, if the total deposit in this state and those evidenced by such certificate or certificates is in amount not less than the amount required pursuant to subsection (1) of this section.

(4) Assets so deposited shall be of a kind, shall be valued, and the deposit shall be made and administered as provided in article thirteen of this code.

304.078 EXISTING INSURERS, FUNDS REQUIRED: Any insurer existing and authorized in this state as of January 1, 1950, may continue to be authorized to transact the same kind or kinds of insurance which it was then authorized to transact so long as it possesses fully paid-up capital stock (if a stock insurer) or surplus (if a mutual, reciprocal or Lloyd's insurer) and has on deposit the assets, all in amount and as was required of it, if any, for such authority under the laws of this state in force as of such date. But no such insurer shall be authorized to transact any other or additional kind or combination of kinds of insurance unless it fully qualifies for authority therefor upon the basis of funds and deposits otherwise required under this code of a domestic insurer of the same type.

304.080 APPLICATION FOR AUTHORITY: To apply for an original certificate of authority an insurer shall file or deposit with the commissioner:

(1) Its request therefor showing:

(a) Its name, location of home office and, if an alien insurer, location of its principal office in the United States, type of insurer, organization date, and state or country of its domicile, and if a reciprocal, the name also of its attorney-in-fact.

(b) The kinds of insurance it proposes to transact.

(c) Additional information as the commissioner may reasonably require.

(2) A copy of its charter as amended, certified, if a foreign or alien insurer, by the proper public officer of the state or country of domicile.

(3) A copy of its bylaws, if a corporation, certified by its proper officer.

(4) A copy of its annual statement as of December thirty-first last preceding.

(5) Certificate of the proper public official as to any deposit made or held as compliance with the provisions of this article.

(6) Copy of report of the last examination made of the insurer, certified by insurance supervisory official of its state of domicile or of entry into the United States.

(7) If a foreign or alien insurer, a resolution of its board of directors, or if a domestic reciprocal insurer, an instrument executed by its attorney for the subscribers, constituting the commissioner as its attorney-in-fact to receive service of process in actions brought or pending against it in this state.

(8) If a foreign or alien insurer, certificate of compliance from the public official having supervision over insurance in the state of its domicile or entry into the United States.

(9) If an alien insurer, a certified copy of the appointment and authority of its United States manager.

(10) Fees required by this code to be paid for filing such documents, and for the certificate of authority, if granted.

304.082 ISSUANCE OF AUTHORITY: If the commissioner finds that an insurer has met the requirements for and is entitled thereto under this code, he shall issue to it a proper certificate of authority. If the commissioner does not so find, he shall refuse the authority within a reasonable period following completion by the insurer of the application therefor.

304.083 EXPIRATION, RENEWAL, AMENDMENT: (1) All certificates of authority shall expire at midnight June thirtieth next succeeding date of issue or renewal. If the insurer qualifies therefor its certificate may be renewed annually for a period of not more than one year.

(2) The commissioner may amend a certificate of authority at any time to accord with changes in the insurer's charter or insuring powers.

304.085 REVOCATION OF AUTHORITY — MANDATORY GROUNDS: The commissioner shall refuse to renew or shall revoke or suspend an insurer's authority to transact insurance, in addition to other grounds therefor in this code, if the insurer:

(1) Is a foreign or alien insurer and no longer qualifies or meets the requirements for the authority; or, if a domestic mutual or domestic reciprocal or domestic Lloyd's insurer and fails to make good a deficiency of assets as required by the commissioner.

(2) Is a domestic stock insurer and has assets less in amount than its liabilities, including its capital stock as a liability, and has failed to make good such deficiency as required by the commissioner.

(3) Has knowingly exceeded its charter powers or its certificate of authority.

304.087 REVOCATION OF AUTHORITY — DISCRETIONARY GROUNDS: The commissioner may after a hearing refuse, suspend, or revoke an insurer's authority to transact insurance, in addition to other grounds therefor in this code, if the insurer:

(1) Fails to comply with or violates any provision of this code other than those for non-compliance with or violation of which refusal, suspension, or revocation is mandatory.

(2) Fails to comply with any proper order of the commissioner within the time properly allowed in such order.

(3) Is found by the commissioner upon examination, or other evidence to be in unsound condition or in such condition as to render its further proceedings hazardous to the public or to its policyholders.

(4) Usually compels claimants under policies either to accept less than the amount due them or to bring suit against it to secure full payment thereof.

(5) Is affiliated with and under the same general management, or interlocking directorate, or ownership as another insurer which transacts direct insurance in this state without having a certificate of authority therefor, except as permitted under article fifteen of this code.

(6) Refuses to be examined, or if its directors, officers, employees or representatives refuse to submit to examination or give testimony concerning its affairs or to produce its accounts, records, and files for examination by the commissioner when required, or refuse to perform any legal obligation relative to the examination.

(7) Fails to pay or satisfy any final judgment rendered against it in this state upon any policy, bond, recognizance, or undertaking issued or guaranteed by it, within sixty (60) days after the judgment became final or within sixty (60) days after time for taking an appeal has expired, or within sixty (60) days after dismissal of an appeal before final determination, whichever date is the later.

304.089 PROCEDURE UPON REVOCATION, SUSPENSION OF AUTHORITY: Upon revoking or suspending an insurer's authority to transact insurance the commissioner shall forthwith:

(1) Give notice thereof to the insurer not less than ten (10) days in advance of the effective date of such revocation or suspension.

(2) Likewise revoke or suspend the licenses of all agents licensed to represent the insurer in this state and give notice thereof to such agents.

(3) Give notice thereof to the insurance supervisory official of each other state in which the insurer is authorized to transact insurance.

304.091 SUSPENSION PERIOD: Except as otherwise in this code expressly provided, the commissioner may suspend an insurer's authority for not to exceed twelve months. The commissioner shall state in his order of suspension the period during which it will be effective.

304.093 INSURER'S NAME: (1) Every insurer shall conduct its business in its own proper and corporate name.

(2) No insurer shall assume or use a name deceptively similar to that of any other authorized insurer, nor which tends to deceive or mislead as to the type of organization of the insurer.

304.094 COMMISSIONER ATTORNEY FOR SERVICE OF PROCESS: (1) Each authorized foreign or alien insurer and each domestic reciprocal or Lloyd's insurer shall appoint the commissioner as its attorney to receive service of all legal process issued against it in this state upon causes of action arising within this state. Service of legal process against such foreign or alien insurer can be had only by service upon the commissioner.

(2) With the appointment the insurer shall designate by name and address the person to whom the commissioner shall forward legal process so served upon him. The insurer may change such person by filing a new designation.

(3) The appointment of the commissioner as attorney shall be irrevocable, shall bind any successor in interest or to the assets or liabilities of the insurer, and shall remain in effect as long as there is in force in this state any contract made by the insurer or liabilities or duties arising therefrom.

304.095 HOW SERVICE MADE: (1) Duplicate copies of legal process against an insurer for whom the commissioner is attorney

shall be served upon him by a person competent to serve a summons. In the absence of the commissioner the process may be served upon the commissioner's deputy or other individual then in charge of the Department of Insurance.

(2) The commissioner shall forthwith send one of the copies of the process, by prepaid registered mail, to the person designated for the purpose by the insurer in its most recent such designation filed with the commissioner, or to the insurer at its last known principal office if no such designation is on file, and return the other copy to the plaintiff with his acknowledgment of service.

(3) The commissioner shall keep a record of the day and hour of service upon him of all such legal process.

304.097 BUSINESS MUST BE PLACED THROUGH LOCAL AGENTS: (1) Except as to insurance lawfully written by a non-resident agent duly licensed under article fourteen of this code, no insurer shall write or place, or cause to be written or placed, any policy or contract for direct insurance upon any property or subject of insurance in this state except through a duly licensed resident agent, who shall countersign the policy, unless such insurer or subject of insurance is exempted under KRS 304.103. For the purposes of this article a state or special agent or other such salaried service representative of the insurer shall not be deemed to be such resident agent, but such a service representative or other salaried employee of the insurer, upon written authority of a licensed agent of the insurer, may countersign for and on behalf of the agent, such riders and endorsements to policies as do not involve premium payments, if a copy of every such rider or endorsement so countersigned is forthwith delivered to the agent.

(2) In addition to any other penalty applicable thereto, the commissioner shall suspend, for a period not exceeding ninety (90) days, the license or authority of any person who violates this section. Upon a second violation the commissioner shall suspend the license or authority of such person for a period of twelve months.

304.099 COUNTERSIGNATURE REQUIREMENT — NON-RESIDENT AGENT'S BUSINESS: Except as provided in KRS 304.103, all policies covering subjects of insurance located or to be performed in this state which are placed by or through a licensed non-resident agent shall be countersigned by a duly licensed resident agent of the insurer.

304.101 COUNTERSIGNATURE REQUIREMENT — HIGHWAY POLICIES: (1) No policy or bond required to be filed with and approved by the Commissioner of Highways, and no policy or bond incident or pertaining to an operation under a contract awarded by the Commissioner of Highways, shall be issued or delivered in this state unless the policy or bond is countersigned by a duly licensed resident local agent of the insurer. When the premium is paid for any such policy or bond the full agent's commission payable on account thereof shall be paid to such countersigning agent. It shall be unlawful for such agent to divide any such commission with any person other than a duly licensed resident local agent.

(2) In addition to any other penalty applicable thereto, the commissioner shall revoke the license or authority of any person convicted of violation of this section, and shall not restore any such license or authority for a period of two years.

304.103 EXCEPTIONS—AGENT & COUNTERSIGNATURE REQUIREMENTS: The provisions of KRS 304.097, 304.099 and 304.101 shall not apply to title insurers, to reinsurance contracts between insurers, to life or disability insurances, or to insurance policies:

(1) Lawfully issued as a surplus line under article fifteen of this code.

(2) Covering only the rolling stock, vessels, or aircraft of any common carrier in interstate or foreign commerce, or any vehicle principally garaged and used in another state.

(3) Covering only any property in course of transportation interstate or in foreign trade, or any liability or risk incident thereto.

(4) Covering only ocean marine risks and other risks exempted under this section.

(5) Of mutual or reciprocal insurers except policies written through independent agents compensated on a commission basis.

(6) Issued by domestic insurers which do not customarily permit their agents to countersign policies, if such policies are countersigned by an executive officer or other employee of the insurer whose compensation is entirely by salary.

304.105 ANNUAL STATEMENT: (1) Each authorized insurer shall annually, before the first day of March, file with the

commissioner a true statement of its financial condition, transactions, and affairs as of the thirty-first day of December preceding. The statement shall be on forms and shall contain information as required by this code and by the commissioner, and shall be verified by the oaths of at least two (2) of the insurer's principal officers. The annual statement of a reciprocal insurer shall be made and verified by its attorney-in-fact.

(2) The commissioner shall annually during November furnish each such insurer upon request of such insurer, duplicate copies of annual statement forms as next required to be filed. The statement forms shall be in general form and context as approved by the National Association of Insurance Commissioners for the kinds of insurance to be reported upon, and as supplemented for additional information required by the commissioner.

(3) The annual statement of an alien insurer shall relate only to its assets, transactions, and affairs in the United States unless the commissioner requires otherwise. The statement shall be verified by the insurer's United States manager or by its officers duly authorized.

(4) The commissioner may suspend or revoke the authority of any insurer failing to file its annual statement when due or failing so to file during any extension of time therefor which the commissioner, for good cause, may grant.

304.110 RETALIATORY PROVISION: (1) When by the laws of any other state, any taxes and fees in the aggregate, fines, penalties, deposits of money or securities or other obligations, prohibitions or requirements are imposed upon insurers organized under any law of this state and transacting business in such other state, or upon the agents of such insurer, greater in aggregate amount than those imposed upon similar insurers by the laws of this state, or when the laws of any other state require insurers of this state to deposit money or security for the benefit or protection of citizens of such other state, or when the laws or officers of any other state prohibit insurers of this state from transacting business therein without a special examination of the insurers or a computation of their liabilities by the officers of that state, the same taxes and fees in the aggregate, fines, penalties, deposits, examinations, obligations and requirements may be imposed by the commissioner upon all insurers

doing business in this state that are incorporated or organized under the laws of such other state, and upon their agents.

(2) For the purpose of this section an alien insurer may be deemed to be domiciled in a state designated by it wherein it has (a) established its principal office or agency in the United States, or (b) maintains the largest amount of its assets. If no such office or agency has been established, its domicile shall be the country under laws of which it is formed.

ARTICLE FOUR
DOMESTIC STOCK INSURERS

304.120 SCOPE OF ARTICLE: The provisions of this article shall apply only to domestic stock insurers.

304.121 INCORPORATION: (1) Five or more natural persons over twenty-one years of age may incorporate a stock insurer.

(2) In addition to the applicable requirements of laws governing the incorporation of business corporations generally:

(a) The articles of incorporation shall specify the kind or kinds of insurance proposed to be transacted.

(b) The name of the corporation shall contain the words "insurance company".

(c) Each share of capital stock shall have a par value of not less than ten dollars ($10).

(d) The incorporators shall deposit the articles of incorporation, in quadruplicate originals, with the commissioner, and such articles shall not be filed with the Secretary of State until approved by the commissioner as provided in KRS 304.123 and the commissioner's approval has been stamped upon or otherwise attached to the articles.

304.123 PROCEDURES PRELIMINARY TO QUALIFICATION: (1) Upon receipt of the articles of incorporation of the proposed insurer, the commissioner shall submit such articles to the Attorney General for examination. Within ten (10) days after receipt thereof the Attorney General shall return the articles to the commissioner with a written statement as to whether the articles comply with law.

(2) If the Attorney General has found the articles to be in compliance with law and has so stated to the commissioner, the commis-

sioner shall stamp or otherwise certify his approval thereon, retain one copy of the articles for his files and deliver the remaining three copies of the articles to the incorporators for filing as provided by laws governing business corporations generally.

(3) Upon compliance with the provisions of chapter 292, Kentucky Revised Statutes, governing sale of securities, the incorporators may open books to receive subscriptions for capital stock of the corporation and keep such books open until the amount of capital stock provided for by the articles has been subscribed. The incorporators shall concurrently file with the commissioner duplicates of filings made on behalf of the corporation with the Director of the Division of Securities pursuant to chapter 292, Kentucky Revised Statutes.

(4) After all stock authorized by the articles has been subscribed and paid for in full either in cash or in assets of the kind eligible for the investment of the capital stock of a domestic life insurer under this code, the incorporators shall make application for a certificate of authority as provided in article three of this code.

(5) In addition to the requirements of this article, the incorporators shall also comply with such other applicable laws governing the organization of domestic business corporations as are not in conflict with the provisions of this article.

304.125 QUALIFICATION OF NEWLY ORGANIZED STOCK INSURER: (1) Upon receiving the application provided for in subsection (4) of KRS 304.123, the commissioner shall make an examination of the affairs of the proposed corporation to ascertain whether it has complied with requirements of law and has fully paid-in capital stock and assets in amount necessary to qualify for authority to transact the kind or kinds of insurance proposed to be transacted. As a part of such examination the commissioner shall require the incorporators or directors to certify, under oath, that assets exhibited to him are the bona fide property of the proposed corporation.

(2) If, after such examination the commissioner finds that the proposed corporation is fully entitled thereto, he shall issue to it his certificate of authority to transact the kind or kinds of insurance for which it has qualified.

304.127 PLACE OF BUSINESS: The insurer shall establish and maintain in this state its principal office and place of business. The insurer's principal records shall be kept at its principal office.

304.128 ANNUAL MEETING: The insurer shall, prior to the first day of April, hold the annual meeting of its shareholders for the purpose of receiving reports of its affairs and to elect directors. Except, that as to insurers organized prior to the effective date of this code, the annual meeting shall be held at such time as is provided by its charter, or articles of incorporation, or bylaws.

304.129 QUALIFICATIONS OF DIRECTORS: (1) Not less than three-fourths of an insurer's directors shall be United States citizens and a majority of the directors shall be residents of this state throughout their term of office.

(2) Unless required by the insurer's charter, articles of incorporation or bylaws, a director is not required to be a shareholder of the insurer.

304.132 INCREASE OR DECREASE OF CAPITAL STOCK: The insurer may increase or decrease its capital stock in the manner provided for corporations generally, subject to KRS 304.140 relative to decrease of capital stock to cure impairment, but no such change shall be effective until:

(1) The commissioner has examined the insurer's affairs and has found that the rights of persons doing business with the insurer will not be prejudiced by any such decrease.

(2) The full amount of increase has been either (a) subscribed and paid in in cash or assets as required for the original capitalization, or (b) as represented by a capitalization of available surplus.

304.134 DIVIDENDS TO STOCKHOLDERS: (1) An insurer shall not pay any dividend to stockholders except out of that part of its surplus funds which is derived from any realized net profits. No cash dividend shall be paid nor distribution of assets made out of any surplus funds resulting from a decrease of capital stock effective within two (2) years prior to the declaration of the dividend.

(2) For the purposes of this article "surplus funds" means the excess of the insurer's assets over its liabilities, including its capital stock as a liability.

(3) The commissioner may revoke the certificate of authority of any insurer violating this section.

304.136 PARTICIPATING POLICIES: (1) An insurer may, unless otherwise provided by its charter or articles of incorporation,

issue policies entitled to participate from time to time in the earnings of the insurer through dividends.

(2) Any classification of its participating policies and of risks assumed thereunder which the insurer may make shall be reasonable. No dividend shall be paid which is inequitable or which unfairly discriminates as between such classifications or as between policies within the same classification.

(3) No such insurer shall issue in this state both participating and non-participating policies for the same class of risks unless the form of contract and the rate or rates charged therefor shall be in effect under any applicable rating law or laws of this state; except that both participating and non-participating life insurance policies may be issued if the right or absence of right to participate is reasonably related to the premium charged. This subsection shall not apply to group insurance.

(4) Dividends to participating life insurance policies shall be paid by such an insurer only out of its surplus funds. Dividends to participating policies for other kinds of insurance shall be paid only out of that part of such surplus funds which is derived from any realized net profits from the insurer's business.

(5) No dividend, otherwise earned, shall be made contingent upon payment of renewal premium on any policy.

304.138 IMPAIRMENT OF CAPITAL: (1) If the assets of an insurer at any time are less than its liabilities, including its capital stock as a liability, the insurer's capital stock shall be deemed to be impaired, and the commissioner shall forthwith determine the amount of such deficiency and give notice to the insurer to make good the deficiency within ninety (90) days after the giving of such notice.

(2) The insurer may cure the deficiency by assessment of stockholders by action of its board of directors, or by other lawful means. The deficiency shall be made good in cash or in assets eligible under this code for investment of the insurer's funds, or by decrease of the insurer's capital stock to an amount not below the minimum required for the kinds of insurance to be thereafter transacted.

(3) If the deficiency is not made good and proof thereof filed with the commissioner within such ninety-day period, the commissioner shall revoke the insurer's certificate of authority, the insurer shall be deemed insolvent, and shall be proceeded against as authorized by this code.

304.139 ASSESSMENT OF SHARES: Shares as to which such an assessment, made pursuant to KRS 304.138, is not paid within sixty (60) days after demand, shall be forfeitable and may be cancelled by vote of the directors, and new shares issued to make up the deficiency.

304.140 DECREASE OF CAPITAL STOCK ON IMPAIRMENT: (1) Within ten (10) days after the meeting of the insurer at which a decrease of capital stock made pursuant to KRS 304.138 was authorized, the insurer shall submit to the commisisoner a certificate, signed and sworn to by its president and secretary, setting forth the proceedings of the meeting, the amount of the proposed decrease, and the insurer's resultant statement of assets and liabilities. If, after examination, the commissioner finds that the procedure for the proposed decrease conforms to law and that such decrease may be made without prejudice to the insurer's policyholders or to the public, he shall authorize the insurer to effectuate such decrease of capital stock. After the decrease has been so effectuated the commissioner shall authorize the insurer to transact the kinds of insurance for which it is then qualified.

(2) The insurer may, after such decrease, require the return of the stock certificates then held by each stockholder, in exchange for new certificates.

304.144 MUTUALIZATION OF STOCK INSURERS: (1) Any domestic stock insurer may become a domestic mutual insurer pursuant to such plan and procedure as are approved by the commissioner in advance of such mutualization.

(2) The commissioner shall not approve any such plan, procedure, or mutualization unless:

(a) It is equitable to both shareholders and policyholders.

(b) It is approved by vote of the holders of not less than three-fourths of the insurer's capital stock having voting rights, and by vote of not less than two-thirds of the insurer's policyholders who vote on such plan, pursuant to such notice and procedure as may be approved by the commissioner. Such vote may be registered in person, by proxy, or by mail.

(c) If a life insurer, the right to vote thereon is limited to those policyholders whose policies have face amounts of not less than five hundred dollars ($500) and have been in force one (1) year or more.

(d) Mutualization will result in retirement of shares of the insurer's capital stock at a price not in excess of the fair value thereof as determined by competent disinterested appraisers.

(e) The plan provides for appraisal and purchase of the shares of any non-consenting stockholder in accordance with the laws of this state relating to the sale or exchange of all the assets of a private corporation.

(f) The plan provides for definite conditions to be fulfilled by a designated early date upon which such mutualization will be deemed effective.

(g) The mutualization leaves the insurer with surplus funds reasonably adequate to preserve the security of its policyholders and its ability to continue successfully in business in the states in which it is then authorized, and in the kinds of insurance it is then authorized to transact.

ARTICLE FIVE
DOMESTIC MUTUAL INSURERS

304.150 SCOPE OF ARTICLE: The provisions of this article shall apply only to domestic mutual insurers transacting insurance on the cash premium plan; except that subsection (2) of KRS 304.171 shall apply to all mutual insurers, whether domestic, foreign, or alien.

304.151 "CASH PREMIUM" MUTUAL DEFINED: For the purposes of this code a cash premium mutual is defined as a mutual insurer which charges and collects in advance, cash premiums in amount adequate to maintain full legal reserves and fully to meet and discharge all its obligations and liabilities under its policies without assessments or calls upon its members for additional premium, except as provided in this article relative to the contingent liability of such members.

304.154 INCORPORATION: (1) Twenty or more natural persons, a majority of whom are bona fide residents of this state, may incorporate a mutual insurer.

(2) In addition to the requirements of law governing the incorporation of business corporations, the articles of association shall state:

(a) The name of the insurer, which name shall contain the words "mutual" and "insurance," and shall end with the word

"company," "corporation," or "incorporated" the kind or kinds of insurance proposed to be transacted; the location of its principal or home office.

(b) The names and addresses of those composing its board of directors, in which management shall be vested until the first meeting of members.

(c) The names and residence addresses of the incorporators.

(d) The maximum contingent liability of its policyholders for the payment of its expenses and losses occurring upon its policies.

(3) The proposed articles of association shall be deposited with the commissioner, who shall submit them to the Attorney General for the same purpose and with the same procedure as provided in KRS 304.123 relative to stock insurers. If found to be in compliance with the law, the commissioner shall approve them and a copy of the articles shall be filed with him. Upon such approval and the filing of the articles as provided by laws relating to business corporations generally, the insurer shall become a body corporate.

304.155 PROCEDURE PRELIMINARY TO QUALIFICATION: (1) After incorporation, the proposed mutual insurer shall apply to the commissioner for authority to solicit qualifying applications for insurance and to procure any funds necessary as qualification for a certificate of authority. With the application the proposed insurer shall file with the commissioner copies of any proposed form of insurance applications, any proposed form or policy to be offered and schedule of premium rates therefor, copies of all advertising and sales literature proposed to be used in such solicitation, and such other information relative to the solicitation of such insurance or procuring of such funds as the commissioner may reasonably require.

(2) Unless the commissioner finds that any such proposal does not comply with the law or that any person to be associated with the proposed insurer is an untrustworthy person, he shall issue written permit authorizing the solicitation of such applications or the procuring of such funds. In connection with any such permit the commissioner may make such reasonable requirements relative to time limit, to deposit in escrow of funds received, or as to other matters as he deems proper for the protection of the public.

(3) No sales commission, or expense, or disbursement of any kind shall be payable out of or made from any funds received as premiums upon qualifying applications or pursuant thereto, until after the proposed insurer has received its certificate of authority pursuant to article three of this code. In event the proposed insurer does not qualify for such a certificate of authority within such reasonable period as the commissioner may have designated in the permit, the funds shall be returned, without diminution, to the persons lawfully entitled thereto and the proposed insurer shall be dissolved.

304.157 INITIAL QUALIFICATION, MUTUAL INSURERS: (1) The commissioner shall not issue a certificate of authority to a newly formed mutual insurer unless it has fully qualified therefor under this code, nor unless it has met the minimum requirements for the kind of insurance it proposes to transact as provided in this code.

(2) All applications for insurance submitted by such an insurer as fulfilling qualification requirements shall be bona fide applications from persons resident in this state or covering lives, property, or risks resident or located in this state.

(3) All qualificating premiums collected on behalf of such an insurer shall be in cash. All qualifying initial surplus funds of such an insurer shall be in cash or in securities eligible for the investment of the capital of a domestic stock insurer transacting the same kind of insurance.

304.159 MUTUAL DISABILITY INSURER: When applying for an original certificate of authority a mutual insurer proposing to transact disability insurance must:

(1) Have at least five hundred (500) applications from at least five hundred (500) persons for individual disability insurance providing not less than five hundred dollars ($500) nor more than one thousand dollars ($1000) of accidental death benefit, and not less than fifteen dollars ($15) nor more than thirty dollars ($30) of weekly disability indemnity for each applicant, or in lieu of such death benefit or weekly indemnity, a reasonable amount of indemnity as approved by the commissioner for medical, surgical, or hospital services; and

(2) have collected from each applicant an adequate premium for one quarter of a year or more; and

(3) have a surplus over all liabilities, as at completion of issuance of the policies so applied for, amounting to at least fifty thousand dollars ($50,000).

In lieu of such applications, premiums, and surplus, it may have and maintain funds representing a surplus of one hundred thousand dollars ($100,000) over all liabilities.

304.160 MUTUAL LIFE INSURER: When applying for an original certificate of authority a mutual insurer proposing to transact life insurance must:

(1) Have at least five hundred (500) applications for life insurance, other than on a term plan for term of ten (10) years or less, covering at least five hundred (500) separate insurable lives on an individual basis for not less than five hundred dollars ($500) nor more than one thousand dollars ($1000) of insurance each; and

(2) have collected from each applicant the proper annual premium for one (1) year, and have so received from all applicants premiums aggregating at least seven thousand five hundred dollars ($7500); and

(3) have a surplus over all liabilities, as at completion of issuance of the policies so applied for, amounting to at least fifty thousand dollars ($50,000).

In lieu of such applications, premiums, and surplus, it may have and maintain funds representing a surplus of one hundred thousand dollars ($100,000) over all liabilities.

304.162 MUTUAL PROPERTY INSURER: (1) When applying for an original certificate of authority a mutual insurer proposing to transact property insurance generally must:

(a) Have applications from at least twenty (20) persons for insurance covering at least two hundred (200) separate real or personal properties (if applications are for insurance against fire no two of such properties shall be reasonably subject to loss from any one fire, as customarily considered by underwriters), for insurance aggregating not less than five hundred thousand dollars ($500,000); and

(b) have collected from each applicant the proper premium at a rate not less than a rate promulgated by a licensed rating organization (less any approved deviation) for a term of at least one year; and

(c) have a surplus over all liabilities, as at completion of issuance of the insurance contracts so applied for, amounting to at least fifty thousand dollars ($50,000).

(2) The maximum of any single such risk proposed to be assumed by the insurer shall not exceed ten per cent (10%) of its surplus. Any reinsurance taking effect simultaneously with the policy shall be deducted in determining the amount at risk for the purposes of this provision.

(3) In lieu of such applications, premiums, and surplus, the insurer may have and maintain funds representing a surplus of one hundred thousand dollars ($100,000) over all liabilities.

304.165 MUTUAL VEHICLE INSURER: When applying for an original certificate of authority a mutual insurer proposing to transact vehicle insurance must:

(1) Have applications from at least two hundred (200) persons for insurance covering at least five hundred (500) separate vehicles for a maximum of retained liability not in excess of ten thousand dollars ($10,000) as to any one accident or other liability; and

(2) have collected from each applicant the proper premium for insurance for not less than six months according to its schedule of premium rates approved by the commissioner; and

(3) have a surplus over all liabilities as at completion of issuance of the policies so applied for, amounting to not less than seventy-five thousand dollars ($75,000).

In lieu of such applications, premiums, and surplus, it may have and maintain funds representing a surplus of one hundred thousand dollars ($100,000) over all liabilities.

304.167 MUTUAL WORKMEN'S COMPENSATION INSURER: When applying for an original certificate of authority a mutual insurer proposing to transact workmen's compensation insurance must:

(1) Have applications for such insurance from at least fifty (50) separate employers having an aggregate of at least one thousand (1000) employees for adequate coverage at adequate premium rates as approved by the commissioner; and

(2) have a surplus over all liabilities as at completion of issuance of the insurance so applied for, amounting to not less than one hundred thousand dollars ($100,000).

In lieu of such applications and surplus, it may have and maintain funds representing a surplus of two hundred thousand dollars ($200,000) over all liabilities.

304.168 OTHER KINDS OF CASUALTY INSURANCE: (1) When applying for an original certificate of authority a mutual insurer proposing to transact any one of the subdivisions of casualty insurance as defined in KRS 304.348, other than a subdivision of casualty insurance for organization to transact which provision is made in this article, must in good faith:

(a) Have applications for such insurance in a reasonable amount from at least fifty (50) persons covering not less than two hundred (200) separate insurable risks; and

(b) have collected from each applicant the proper premium for a term of not less than one year at a rate filed with and approved by the commissioner; and

(c) have a surplus over all liabilities, as at completion of issuance of the insurance contracts so applied for, amounting to at least fifty thousand dollars ($50,000).

(2) In lieu of such applications, premiums, and surplus, it may have and maintain funds representing a surplus of one hundred thousand dollars ($100,000) over all liabilities.

(3) No such insurer shall be authorized to transact any additional kind or subdivision of insurance without first qualifying for full casualty insurance powers.

304.169 OTHER KINDS OF INSURANCE: A mutual insurer may be authorized to transact any other kind or kinds of insurance not specifically provided for in this article by compliance with the applicable financial requirements set forth in article three and by otherwise complying with the applicable provisions of this code.

304.170 MINIMUM SURPLUS: (1) A domestic mutual insurer authorized to transact but one kind of insurance shall at all times have and maintain surplus funds, representing the excess of its assets over its liabilities, as follows:

(a) If formed upon the basis of applications for insurance, premiums collected, and surplus, such surplus shall be not less than fifty per cent (50%) of the amount of surplus required for its original certificate of authority.

(b) If formed upon the basis of a surplus fund in lieu of such applications, premiums and surplus, such surplus shall be not less than the amount of the surplus fund so required.

(2) A domestic mutual insurer authorized to transact a combination of kinds of insurance shall at all times have and maintain surplus funds in amount not less than the amount of paid-in capital stock required of a domestic stock insurer to transact like kinds of insurance.

304.171 MEMBERSHIP: (1) Each holder of one or more policies issued by a domestic mutual insurer, other than a contract of reinsurance, is a member of the insurer with the rights and obligations of such membership, and each such policy shall effectively so stipulate.

(2) Any governmental agency, public or private corporation, firm, board, association, estate, trustee, fiduciary or persons, in this state or elsewhere, may make application, enter into agreement for and hold policies or contracts in or with and be a member of any domestic, foreign or alien mutual insurer. Any officer, representative, or trustee, receiver or legal representative of any such member or policyholder, shall be recognized as acting for or on its behalf for the purpose of such contracts or membership, but shall not be personally liable upon such contract by reason of acting in such representative capacity.

304.172 RIGHTS OF MEMBERS: (1) A mutual insurer is owned by and shall be operated in the interest of its members.

(2) Each member is entitled to one (1) vote in the election of directors and on matters coming before corporate meetings of members, subject to such reasonable minimum requirements as to duration of membership and amount of insurance held as may be made in the insurer's bylaws. The person named as the policyholder in any policy insuring more than one individual shall be deemed the member, and shall have but one such vote regardless of the number of individuals so insured.

(3) With respect to the management, records, and affairs of the insured, a member shall have the same character of rights and relationship as a stockholder has toward a domestic stock insurer.

304.173 BYLAWS: The insurer shall adopt bylaws for the conduct of its affairs. The bylaws, and any modifications thereof,

shall forthwith be filed with the commissioner. The commissioner shall disapprove any such bylaws if he finds, after a hearing thereon, that it does not comply with law or that it unreasonably interferes with the rights of members or exercise of such rights. No bylaw so disapproved shall be effective during the existence of such disapproval.

304.174 ANNUAL MEETING: (1) The insurer shall, prior to the first day of April, hold the annual meeting of its members for the purpose of receiving reports of its affairs and to elect directors. Except, that as to insurers organized prior to the effective date of this code the annual meeting shall be held at such time as is provided by its charter, or articles of incorporation, or bylaws.

(2) Notice of the time and place of the meeting shall be given by imprinting such notice plainly on policies issued by the insurer, or by written notice mailed to each policyholder within a reasonable time prior to the meeting as provided by the bylaws; except, that insurers heretofore empowered to give such notice by publication may continue so to do.

(3) Members may vote in person or by proxy, and votes may be cast as prescribed in Section 207 of the Constitution of this state. A power of attorney to appoint a proxy shall be subject to the same limitations as by statute apply to proxies.

304.178 CONTINGENT LIABILITY OF MEMBERS: (1) Each member of a domestic mutual insurer, except as otherwise provided in this article, shall have a contingent liability, pro rata and not one for another, for the discharge of its obligations. The contingent liability shall be in such amount as is stated in the insurer's articles of incorporation or bylaws, but shall be in amount not less than one, nor more than two (2) in the case of a life insurer, nor more than five (5), in the case of insurers other than life, times the premium for the member's policy at the annual premium rate for a term of one (1) year; or at the semi-annual premium rate for a term of six months as to policies for a kind of insurance customarily issued by the insurer on a semi-annual premium basis only.

(2) Every policy issued by the insurer shall contain a statement of the contingent liability.

(3) Termination of the policy of any such member shall not relieve the member of contingent liability for his proportion, if any,

of the obligations of the insurer which accrued while the policy was in force.

304.179 ACCRUAL OF LIABILITY: (1) If at any time the assets of a domestic mutual insurer are less than its liabilities and the minimum amount of surplus required of it by this code for continuance of its certificate of authority, and the deficiency is not cured from other sources, its directors may levy an assessment only upon its members who at any time within the twelve (12) months immediately preceding the date notice of such assessment was mailed to them held policies providing for contingent liability.

(2) Such an assessment shall be for such an amount of money as is required to render the insurer fully solvent and to provide a reasonable amount of working capital above such minimum amount of surplus, but such working capital so provided shall not exceed an amount equal to five per cent (5%) of the insurer's liabilities as of the same date as of which the amount of such deficiency was determined.

(3) No one policy or member as to such policy, shall be assessed or be charged with an aggregate of contingent liability as to obligations incurred by a domestic mutual insurer in any one (1) calendar year, in excess of the number of times the premium as stated in the policy as computed solely upon premium earned on such policy during that year.

(4) No member shall have an offset against any assessment for which he is liable, on account of any claim for unearned premium or losses payable.

(5) Collection of an assessment levied upon members may be enforced by such legal means as are available for enforcement of contractual obligations generally.

304.180 LIEN ON LIFE RESERVES: As to life insurance, any portion of an assessment of contingent liability upon a member which remains unpaid following notice of such assessment, demand for payment, and lapse of a reasonable waiting period as specified in such notice, may, if approved by the commissioner, be secured by placing a lien upon the cash surrender values held by the insurer to the credit of such member.

304.181 CONTINGENT LIABILITY NO ASSET: Unrealized contingent liability of members of a mutual insurer to assessment

does not constitute an asset of the insurer in any determination of its financial condition.

304.182 NON-ASSESSABLE POLICIES: (1) After a domestic mutual insurer has established a surplus not less in amount than the paid-in capital stock required of a domestic stock insurer transacting the same kind or kinds of insurance, it may extinguish the contingent liability of its members to assessment and omit provisions imposing contingent liability in all policies currently issued.

(2) When the surplus has been so established and the commissioner has so ascertained, he shall issue to the insurer, at its request, his certificate authorizing the extinguishment of the contingent liability of its members and the issuance of policies free therefrom.

(3) Such a certificate shall not be required as to insurers which at the effective date of this code, are lawfully issuing non-assessable policies.

304.183 APPLIES TO ALL POLICIES: The commissioner shall not authorize a domestic mutual insurer so to extinguish the contingent liability of members unless such extinguishment is to apply to all members and to all policies thereafter issued for all kinds of insurance transacted by it. Except, that if required by the laws of another state in which such an insurer is transacting insurance as an authorized insurer, the insurer may issue policies providing for the contingent liability of such of its members as may acquire such policies in such state, and need not extinguish the contingent liability applicable to policies theretofore in force in such state.

304.184 REVOCATION OF AUTHORITY: (1) The commissioner shall revoke the authority of a mutual insurer to issue policies without contingent liability if

(a) At any time the insurer's assets are less than the sum of its liabilities and the surplus required for such authority, or

(b) the insurer, by resolution of its directors approved by its members, requests that the authority be revoked.

(2) Upon revocation of such authority for any cause, the in-insurer shall not thereafter issue any policies without contingent liability, nor renew or accept further premium relative to any policies then in force without written endorsement thereon providing for contingent liability.

304.185 DIVIDENDS: (1) The directors of a mutual insurer may from time to time apportion and pay to its members dividends only out of that part of its surplus which is in excess of its required minimum surplus and which represents net realized savings and net realized earnings.

(2) Such dividends shall be paid or credited to policyholders according to such reasonable classifications of its policies as the directors may in their discretion from time to time establish. No dividend shall be paid which unfairly discriminates as between policies within the same classification.

304.186 NON-PARTICIPATING POLICIES: (1) If its articles of incorporation or bylaws so provide, a mutual insurer may, while it is authorized to issue policies without contingent liability to assessment, issue policies not entitled to participate in the insurer's savings and earnings.

(2) Such insurer shall not issue in this state both participating and non-participating policies for the same class of risks; except provided in subsection (3) of KRS 304.136 as to stock insurers.

304.188 BORROWED FUNDS: (1) A domestic mutual insurer may, with the commissioner's advance approval and without pledge of any of its assets, borrow money necessary for the conduct of its business or to enable it to comply with any requirement of law, upon an agreement that such money and such interest thereon as may be agreed upon, but not exceeding six per cent (6%) per annum, shall be repaid only out of the insurer's earned surplus in excess of its required minimum surplus.

(2) Any money so borrowed shall not form a part of the insurer's legal liabilities or be the basis of any set-off; but until repaid, financial statements filed or published by the insurer shall show as a footnote thereto the amount thereof then unpaid together with interest thereon accrued but unpaid.

(3) The commissioner's approval of the loan, if granted, shall specify the amount to be borrowed, the purpose for which the money is to be used, the terms and form of the loan agreement, the date of which the loan must be completed, and such other related matters as the commissioner shall deem proper. No commission or promotional expense shall be incurred or be paid on account of of any such loan.

(4) This section shall not apply as to lawful borrowing of funds by an insurer if such loan is secured by pledge of assets.

304.189 REPAYMENT OF BORROWED FUNDS: (1) The insurer may repay any loan received pursuant to KRS 304.188, or any part thereof as approved by the commissioner, only out of its surplus funds which represent such loan or realized net earned surplus. No repayment shall be made which reduces the insurer's surplus below the minimum surplus required for the kinds of insurance transacted.

(2) The insurer shall repay any such loan or the largest possible part thereof when the purposes for which such funds were borrowed have been fulfilled and when the insurer's surplus is adequate to repay without unreasonable impairment of its operations.

(3) No repayment of such loan shall be made unless approved by the commissioner. The insurer shall notify the commissioner in writing not less than sixty (60) days in advance of its intention to repay such loan or any part thereof, and the commissioner shall forthwith ascertain whether the insurer's financial condition is such that repayment can properly be made.

(4) Upon liquidation of the insurer, after retirement of all its other outstanding obligations the holders of any such loan agreements then remaining unpaid shall be entitled to payment before any general distribution of surplus is made to the insurer's members.

304.191 IMPAIRMENT OF SURPLUS: (1) If the assets of a mutual insurer fall below the amount of its liabilities, plus the amount of any surplus required by this code for the kinds of insurance authorized to be transacted, the commissioner shall ascertain the amount of the deficiency and forthwith serve notice upon the insurer to cure the deficiency within ninety (90) days after service of notice.

(2) If the deficiency is not made good, in cash or in assets eligible under this code for the investment of the insurer's funds, and proof thereof filed with the commissioner within such ninety-day period, the insurer shall be deemed insolvent and shall be proceeded against as authorized by this code.

304.192 CONVERSION OR REINSURANCE: (1) No mutual insurer shall be converted, changed, or reorganized as a stock corporation.

(2) Such an insurer may be wholly reinsured in and its assets transferred to and its liabilities assumed by another mutual or stock insurer under such terms and conditions as are approved by the commissioner in advance of such reinsurance.

(3) The commissioner shall not approve any such reinsurance agreement which does not determine the amount of and make adequate provision for paying to policyholders of such mutual insurer, reasonable compensation for their equities as owners of such insurer, such compensation to be apportioned to policyholders as identifed and in the manner prescribed in KRS 304.193.

304.193 MEMBERS' SHARE OF ASSETS: (1) Upon the liquidation of a mutual insurer, its assets remaining after discharge of its indebtedness and policy obligations shall be distributed to its members who were such at any time within the three full calendar years last preceding the last termination of its certificate of authority.

(2) The distributive share of each such member shall be in the proportion that the aggregate premiums earned by the insurer on the policies of the member during the combined periods of his membership, bear to the aggregate of all premiums so earned on the policies of all such members. The insurer may make a reasonable classification of its policies so held by such members and a formula based upon such classification for determining the equitable distributive share of each such member. Such classification and formula shall be subject to the commissioner's approval.

304.194 AMENDMENT OF ARTICLES OF INCORPORATION: The articles of incorporation of a mutual insurer shall be amended by a majority vote of its board of directors and the vote or written assent of two-thirds of the members voting at a valid meeting of members of which due notice, setting forth the terms or substance of the proposed amendment, was given the insurer's members.

ARTICLE SEVEN
RECIPROCAL INSURERS

304.280 "RECIPROCAL" INSURANCE DEFINED: "Reciprocal" insurance is that resulting from an inter-exchange among persons, known as "subscribers," of reciprocal agreements of indem-

nity, the inter-exchange being effectuated through an "attorney-in-fact" common to all such persons.

304.281 "RECIPROCAL INSURER" DEFINED: A "reciprocal insurer" means an unincorporated aggregation of subscribers operating individually and collectively through an attorney-in-fact to provide reciprocal insurance among themselves.

304.282 SCOPE OF ARTICLE: All authorized reciprocal insurers shall be governed by those sections of this article not expressly made applicable to domestic reciprocal insurers.

304.283 INSURING POWERS: (1) A reciprocal insurer may, upon qualifying therefor as provided by this code, transact any kind or kinds of insurance defined by this code, other than life or title insurance.

(2) A reciprocal insurer may cede or accept reinsurance of any kind of risk which it is authorized to insure direct.

304.284 NAME, SUITS: A reciprocal insurer shall: (1) Have and use a business name. The name shall include the word "reciprocal," or "inter-insurer," or "inter-insurance," or "exchange," or "underwriters," or "underwriting."

(2) Sue and be sued in its own name.

304.285 "ATTORNEY": "Attorney" as used in this article refers to the attorney-in-fact of a reciprocal insurer. The attorney may be an individual, firm, or corporation.

304.286 ORGANIZATION: (1) Twenty-five (25) or more persons domiciled in this state may organize a domestic reciprocal insurer and in compliance with this code make application to the commissioner for a certificate of authority to transact insurance.

(2) When applying for a certificate of authority, the original subscribers and the proposed attorney shall fulfill the requirements of and shall execute and file with the commissioner a declaration setting forth:

(a) the name of the insurer;

(b) the location of the insurer's principal office, which shall be the same as that of the attorney and shall be maintained within this state;

(c) the kinds of insurance proposed to be transacted;

(d) the names and addresses of the original subscribers;

(e) the designation and appointment of the proposed attorney and a copy of the power of attorney;

(f) the names and addresses of the officers and directors of the attorney, if a corporation, or of its members, if a firm;

(g) the powers of the subscribers' advisory committee and the names and terms of office of the members thereof;

(h) a copy of the subscribers' agreement;

(i) a statement that each of the original subscribers **has in** good faith applied for insurance of the kind proposed to be transacted, and that the insurer has received from each such subscriber the full premium or premium deposit required for the policy applied for, for a term of not less than six (6) months at the rate theretofore filed with and approved by the commissioner;

(j) a statement of the financial condition of the insurer, a schedule of its assets, and a statement that the surplus as required by KRS 304.071 is on hand;

(k) a copy of each policy, endorsement, and application form it then proposes to issue or use.

Such declaration shall be acknowledged by each such subscriber and by the attorney in the manner required for the acknowledgement of deeds to real estate.

304.288 CERTIFICATE OF AUTHORITY: (1) The certificate of authority of a reciprocal insurer shall be issued to its attorney in the name of the insurer.

(2) The commissioner may refuse, suspend, or revoke the certificate of authority, in addition to other grounds therefor, for failure of its attorney to comply with any provision of this code.

304.289 POWER OF ATTORNEY: (1) The rights and powers of the attorney of a reciprocal insurer shall be as provided in the power of attorney given it by the subscribers.

(2) The power of attorney must set forth:

(a) The powers, duties and compensation of the attorney;

(b) that the attorney is empowered to accept service of process on behalf of the insurer and to authorize the commissioner to receive service of process in actions against the insurer upon contracts exchanged;

(c) except as to nonassessable policies, a provision for a contingent several liability of each subscriber in a specified amount which amount shall be not less than one (1) nor more than ten (10) times the premium or premium deposit stated in the policy;

(3) The power of attorney may:

(a) Provide for the right of substitution of the attorney and revocation of the power of attorney and rights thereunder;

(b) contain other lawful provisions deemed advisable.

(4) The terms of any power of attorney or agreement collateral thereto shall be reasonable and equitable, and no such power or agreement or any amendment thereof, shall be used or be effective in this state until approved by the commissioner.

304.290 MODIFICATION: Modification of the terms of the subscribers' agreement or of the power of attorney of a domestic reciprocal insurer shall be made jointly by the attorney and the subscribers' advisory committee. No such modification shall be effective retroactively, nor as to any insurance contract issued prior thereto.

304.291 BOND: (1) Concurrently with the filing of the declaration provided for in KRS 304.386, the attorney of a domestic reciprocal insurer shall file with the commissioner a bond running to the Commonwealth of Kentucky. The bond shall be executed by the attorney and by an authorized corporate surety, and shall be subject to the commissioner's approval.

(2) The bond shall be in the penal sum of twenty-five thousand dollars ($25,000), conditioned that the attorney will faithfully account for all monies and other property of the insurer coming into his hands, and that he will not withdraw or appropriate for his own use from the funds of the insurer any monies or property to which he is not entitled under the power of attorney.

(3) The bond shall provide that it is not subject to cancella-

tion unless thirty (30) days' advance notice in writing of intent to cancel is given to both the attorney and the commissioner.

304.292 DEPOSIT IN LIEU: In lieu of such bond, the attorney may maintain on deposit with the commissioner a like amount in cash or in value of securities qualified under this code as insurers' investments, and subject to the same conditions as the bond.

304.294 LEGAL PROCESS: (1) Legal process shall be served upon a domestic reciprocal insurer by serving the insurer's attorney at his principal offices or by serving the commissioner as the insurer's attorney-in-fact.

(2) Any judgment against the insurer based upon legal process so served shall be binding upon each of the insurer's subscribers as their respective contingent liabilities.

304.296 CONTRIBUTIONS: (1) The attorney or other parties may advance to the reciprocal insurer such funds as it may require from time to time in its operations. Sums so advanced shall not be treated as a liability of the insurer, and shall not be withdrawn or repaid except out of the insurer's realized earned surplus in excess of its minimum required surplus. No such withdrawal or repayment shall be made without the advance approval of the commissioner.

304.297 DETERMINING FINANCIAL CONDITION: In determining the financial condition of a reciprocal insurer the commissioner shall apply the following rules:

(1) He shall charge as liabilities the same reserves as are required of incorporated insurers issuing nonassessable policies on a reserve basis.

(2) The surplus deposits of subscribers shall be allowed as assets, except that any premium deposit delinquent for ninety (90) days shall first be charged against such surplus deposit.

(3) The surplus deposits of subscribers shall not be charged as a liability.

(4) All premium deposits delinquent less than ninety (90) days shall be allowed as assets.

(5) An assessment levied upon subscribers, and not collected, shall be allowed as assets.

(6) The contingent liability of subscribers shall not be allowed as an asset.

(7) The computation of reserves shall be based upon premium deposits other than membership fees and without any deduction for the compensation of the attorney.

304.298 SUBSCRIBERS: Any person, public or private corporation, firm, board, association, estate, trustee or fiduciary, in this state or elsewhere, may make application, enter into agreement for and hold policies or contracts in or with and be a subscriber of any domestic, foreign or alien reciprocal insurer. Any officer, representative, or trustee, receiver or legal representative of any such subscriber or policyholder, shall be recognized as acting for or on its behalf for the purpose of such contracts or subscribership but shall not be personally liable upon such contract by reason of acting in such representative capacity.

304.299 SUBSCRIBERS' ADVISORY COMMITTEE: (1) The advisory committee exercising the subscribers' rights in a domestic reciprocal insurer shall be selected under such rules as the subscribers adopt.

(2) Not less than three-fourths of such committee shall be composed of subscribers other than the attorney, or any person employed by, representing, or having a financial interest in the attorney.

(3) The committee shall:

(a) Supervise the finances of the insurer;

(b) supervise the insurer's operations to such extent as to assure their conformity with the subcribers' agreement and power of attorney;

(c) procure the audit of the accounts and records of the insurer and of the attorney at the expense of the insurer;

(d) have such additional powers and functions as may be conferred by the subscribers' agreement.

304.301 SUBSCRIBER'S LIABILITY: (1) The liability of each subscriber subject to assessment for the obligations of the reciprocal insurer shall not be joint, but shall be individual and several.

(2) Each subscriber who is subject to assessment shall have a contingent assessment liability, in the amount provided for in the power of attorney or in the subscribers' agreement, for payment of actual losses and expenses incurred while his policy was in force. Such contingent liability may be at the rate of not less than one (1) nor more than ten (10) times the premium or premium deposit stated in the policy, and the maximum aggregate thereof shall be computed in the manner set forth in KRS 304.305.

(3) Each assessable policy issued by the insurer shall plainly set forth a statement of the contingent liability.

304.302 SUBSCRIBER'S LIABILITY ON JUDGMENTS: (1) No action shall lie against any subscriber upon any obligation claimed against the insurer until a final judgment has been obtained against the insurer and remains unsatisfied for thirty (30) days.

(2) Any such judgment shall be binding upon each subscriber only in such proportion as his interest may appear and in an amount not exceeding his contingent liability, if any.

304.303 ASSESSMENTS: (1) Assessments may be levied from time to time upon the subscribers of a domestic reciprocal insurer, other than as to non-assessable policies, by the attorney upon approval in advance by the subscribers' advisory committee and the commissioner; or by the commissioner in liquidation of the insurer.

(2) Each such subscriber's share of a deficiency for which an assessment is made, not exceeding in any event his aggregate contingent liability as computed in accordance with KRS 304.305, shall be computed by applying to the premium earned on the subscriber's policy or policies during the period to be covered by the assessment, the ratio of the total deficiency to the total premiums earned during such period upon all policies subject to the assessment.

(3) In computing the earned premiums for the purposes of this section, the gross premium received by the insurer for the policy shall be used as a base, deducting therefrom solely charges not recurring upon the renewal or extension of the policy.

(4) No subscriber shall have an offset against any assessment for which he is liable, on account of any claim for unearned premium or losses payable.

304.304 TIME LIMIT FOR ASSESSMENT: Every subscriber of a domestic reciprocal insurer having contingent liability shall be liable for, and shall pay his share of any assessment, as computed and limited in accordance with this article, if,

(1) while his policy is in force or within one (1) year after its termination, he is notified by either the attorney or the commissioner of his intentions to levy such assessment, or

(2) if an order to show cause why a receiver, conservator, rehabilitator, or liquidator of the insured should not be appointed is issued pursuant to article twenty-nine while his policy is in force or within one (1) year after its termination.

304.305 AGGREGATE LIABILITY: No one policy or subscriber as to such policy, shall be assessed or be charged with an aggregate of contingent liability as to obligations incurred by a domestic reciprocal insurer in any one (1) calendar year, in excess of the number of times the premium as stated in the policy as computed solely upon premium earned on such policy during that year.

304.306 NONASSESSABLE POLICIES: (1) If a reciprocal insurer has a surplus of assets over all liabilities at least equal to the minimum capital stock required of a domestic stock insurer authorized to transact like kinds of insurance, upon application of the attorney and as approved by the subscribers' advisory committee the commissioner shall issue his certificate authorizing the insurer to extinguish the contingent liability of subscribers under its policies then in force in this state, and to omit provisions imposing contingent liability in all policies delivered or issued for delivery in this state for so long as all such surplus remains unimpaired. Such a certificate shall not be required as to insurers which at the effective date of this code are lawfully issuing non-assessable policies.

(2) Upon impairment of such surplus, the commissioner shall forthwith revoke the certificate. No policy shall thereafter be issued or renewed without providing for the contingent assessment liability of subscribers.

(3) The commissioner shall not authorize a domestic reciprocal insurer so to extinguish the contingent liability of any of its subscribers or in any of its policies to be issued, unless it qualifies to and does extinguish such liability of all its subscribers and in all

such policies for all kinds of insurance transacted by it. Except that if required by the laws of another state in which the insurer is transacting insurance as an authorizing insurer, the insurer may issue policies providing for the contingent liability of such of its subscribers as may acquire such policies in such state, and need not extinguish the contingent liability applicable to policies theretofore in force in such state.

304.307 SHARE IN SAVINGS: A reciprocal insurer may from time to time return to its subscribers any savings or credits accruing to their accounts. Any such distribution shall not unfairly discriminate between classes of risks, or policies, or between subscribers, but such distribution may vary as to classes of subscribers, based upon the experience of such subscribers.

304.308 SUBSCRIBER'S SHARE OF ASSETS: Upon the liquidation of a domestic reciprocal insurer, its assets remaining after discharge of its indebtedness and policy obligations, the return of any contributions to its surplus made as provided in KRS 304.296, and the return of any unused deposits, savings, or credits, shall be distributed to its subscribers who were such within the twelve (12) months prior to the last termination of its certificate of authority according to such formula as is approved by the commissioner.

304.310 MERGER OR CONVERSION: (1) A domestic reciprocal insurer, upon affirmative vote of not less than two-thirds of the subscribers who vote upon such merger pursuant to such notice as may be approved by the commissioner and with the approval of the commissioner of the terms therefor, may merge with another reciprocal insurer or be converted to a stock or mutual insurer.

(2) Such a stock or mutual insurer shall be subject to the same capital requirements and shall have the same rights as a like domestic insurer transacting like kinds of insurance.

(3) The commissioner shall not approve any plan for such merger or conversion which is inequitable to subscribers, of which, if for conversion to a stock insurer, does not give each subscriber preferential right to acquire stock of the proposed insurer proportionate to his interest in the reciprocal insurer as determined in accordance with KRS 304.308 and a reasonable length of time within which to exercise such right.

304.311 IMPAIRED RECIPROCALS: (1) If the assets of a domestic reciprocal insurer are at any time insufficient to discharge its liabilities, other than any liability on account of funds contributed by the attorneys or other parties, and to maintain the surplus required for the kinds of insurance it is authorized to transact, and if the deficiency is not cured from other sources, its attorney shall forthwith levy an assessment upon subscribers made subject to assessment by the terms of their policies for the amount needed to make up the deficiency.

(2) If the attorney fails to make the assessment within thirty (30) days after the commissioner orders him to do so, or if the deficiency is not fully made up within sixty (60) days after the date the assessment was made, the insurer shall be deemed insolvent and shall be proceeded against as authorized by this code.

(3) If liquidation of such an insurer is ordered, an assessment shall be levied upon the subscribers for such an amount, subject to limits as provided by this article, as the commissioner determines to be necessary to discharge all liabilities of the insurer, exclusive of any funds contributed by the attorney or other parties, but including the reasonable cost of the liquidation.

ARTICLE EIGHT
LLOYD'S PLAN INSURERS

304.315 UNDERWRITERS AUTHORIZED TO INSURE ON LLOYD'S PLAN: (1) Individuals or associations of individuals hereby designated "underwriters" are authorized to transact insurance in this state as insurers on the Lloyd's plan, as provided by this code.

(2) Underwriters may effect any of the kinds of insurance authorized by this code, other than life or title insurance, on being authorized by the commissioner.

304.316 APPLICATION FOR LICENSE AS UNDERWRITER: Underwriters shall file with the commissioner an application, signed and sworn to by their duly authorized attorney in fact, setting forth in addition to matters required in KRS 304.080: (1) The names and addresses of all the underwriters proposing to engage in the business.

(2) The number of underwriters, which shall not be less than twenty-five, and that each underwriter is worth in his own right not less than twenty thousand dollars over and above all his liabilities.

(3) A statement showing a list of all cash and invested assets owned by the associated underwriters, and their value.

304.317 AUTHORIZATION OF UNDERWRITERS; SUSPENSION OR REVOCATION OF AUTHORITY: (1) Upon the filing of the documents required, the commissioner shall examine them. If it appears that all the statements made are true and that the rights of the policyholders will be protected thereunder, and that the insurer is otherwise qualified therefor, he shall issue a certificate of authority to the underwriters under the name chosen and approved, authorizing them to transact the business of insurance as specified in the application.

(2) Prior to the issuance of a certificate of authority, a Lloyd's organization shall submit to examination of its affairs, by the commissioner, or, if acceptable to the commissioner, shall file with him a certified copy of an examination of its affairs made within two years by the proper supervising official of some other state.

304.318 ADMISSION OF ADDITIONAL UNDERWRITERS TO ORIGINAL AUTHORIZED GROUP; REGULATED AS ORIGINAL MEMBERS: Whenever authorized underwriters are joined by other underwriters, additional or substituted, the additional or substituted underwriters must comply with the provisions of the law, and they shall be held to be bound by the documents on file with the commissioner concerning the authorized underwriters, in the same manner and to the same extent as though they had been original applicants for the certificate of authority.

304.319 DEPOSIT REQUIREMENTS FOR ALIEN UNDERWRITERS: (1) If an underwriter applying for authority is not a citizen of the United States, he shall, at the time of making application, deposit with the Custodian of Insurance Securities five thousand dollars in cash or in securities such as required for the investment of the capital of stock insurers authorized to transact similar kinds of insurance in this state.

(2) This section shall not apply if the alien underwriter is one of an association of underwriters having on deposit with the insur-

ance department of any state of the United States, or in the hands of a bank or trust company in the United States as trustee, a cash deposit or approved securities worth not less than $200,000, held in trust for the benefit of all their policyholders in the United States, or if the alien underwriter is one of an association of underwriters, nine-tenths of whom are at all times citizens of the United States, and who have complied with the other provisions of law.

ARTICLE NINE
KINDS OF INSURANCE; REINSURANCE; LIMITS OF RISK

304.340 LIFE INSURANCE DEFINED: Life insurance is insurance on human lives and insurance appertaining thereto or connected therewith. For the purposes of this code the transacting of life insurance includes the granting of annuities and endowment benefits, additional benefits in event of death by accident or accidental means, additional benefits in event of the total and permanent disability of the insured, and optional modes of settlement of proceeds.

304.342 DISABILITY INSURANCE DEFINED: Disability insurance is insurance against bodily injury, disablement or death by accident or accidental means, or the expense thereof, against disablement or expense resulting from sickness, and every insurance appertaining thereto.

304.344 PROPERTY INSURANCE DEFINED: (1) Property insurance is insurance against loss of or damage to real or personal property of every kind and interest therein, from any or all hazard or cause, and against loss consequential upon such loss or damage.

(2) By way of description and not as limitation, property insurance shall be deemed to include:

(a) Insurance against loss or damage to property and loss of use and occupancy by fire, lightning, storm, flood, frost, freezing, snow, hail, ice, weather or climatic conditions, including excess or deficiency of moisture, rain or rising of the waters of the ocean or its tributaries, drought, insects, vermin or forces of nature, smoke, smudge, riot, riot attending strike, strikes, sabotage, civil commotion, vandalism or malicious mischief or caused by wrongful conversion, disposal or concealment of a motor vehicle or aircraft, whether or not handled under a conditional sale contract or subject to chattel mortgage, civil war, rebellion, insurrection, invasion, bom-

bardment, military or usurped power, or by any order of civil authorities meant to prevent the spread of conflagration or epidemic or catastrophe, explosion with fire ensuing or explosion with no fire ensuing, except explosion by steam boilers or flywheels, but there may be insured hereunder explosion of pressure vessels (not including steam boilers of more than fifteen pounds' pressure) in buildings designed and used solely for residential purposes by not more than four families, explosion of any kind originating outside of the insured building, or outside the building containing the property insured, and explosion of pressure vessels which do not contain steam or which are not operated with steam coils or steam jackets.

(b) Insurance against loss or damage by insects or disease to farm crops or products, and loss of rental value of land used in producing such crops or products.

(c) Insurance against accidental injury to sprinklers, pumps, water pipes, elevator tanks and cylinders, steam pipes and radiators, plumbing and its fixtures, ventilating, refrigerating, heating, lighting or cooking apparatus, or their connections, or conduits or containers of any gas, fluid, or other substance, and against loss or damage to property of the insured caused by the breakage or leakage thereof, or by water, hail, rain, sleet or snow seeping or entering through water pipes, leaks or openings in buildings.

(d) Insurance against loss or damage caused by railroad equipment, motor vehicles, airplanes, seaplanes, dirigibles or other aircraft.

(e) Insurance against loss of or damage to: Vessels, craft, aircraft, cars, automobiles and vehicles of every kind, as well as all goods, freights, cargoes, merchandise, effects, disbursements, profits, monies, bullion, precious stones, securities, choses in action, evidence of debt, valuable papers, bottomry and respondentia interests and all other kinds of property and interests therein, in respect to, appertaining to or in connection with any and all risks or perils of navigation, transit, or transportation, including war risks, on or under any seas or other waters, on land or in the air, or while being assembled, packed, crated, baled, compressed or similarly prepared for shipment or while awaiting the same or during any delays, storage, transshipment, or reshipment incident thereto, including marine builder's risks and all personal property floater risks, and persons

or property in connection with or appertaining to a marine, inland marine, transit or transportation insurance, including liability for loss of or damage to either, arising out of or in connection with the construction, repair, operation, maintenance or use of the subject matter of such insurance (but not including life insurance or surety bonds), and precious stones, jewels, jewelry, gold, silver and other precious metals, whether used in business or trade or otherwise and whether the same be in course of transportation or otherwise, and bridges, tunnels and other instrumentalities of transportation and communication (excluding buildings, their furniture and furnishings, fixed contents and supplies held in storage) unless fire, tornado, sprinkler leakage, hail, explosion, earthquake, riot and/or civil commotion are the only hazards to be covered; piers, wharves, docks and ships, excluding the risks of fire, tornado, sprinkler leakage, hail, explosion, earthquake, riot and/or civil commotion; other aids to navigation and transportation, including dry docks and marine railways, against all risks.

(f) "Marine protection and indemnity insurance", meaning insurance against, or against legal liability of the insured for, loss, damage or expense arising out of, or incident to, the ownership, operation, chartering, maintenance, use, repair or construction of any vessel, craft or instrumentality in use in ocean or inland waterways, including liability of the insured for personal injury, illness or death or for loss of or damage to the property of another person.

(g) Vehicle insurance as defined in this article.

(3) Matters set out in subsection (2) of this section shall not be deemed thereby to limit the scope of property insurance as defined in subsection (1) of this section, nor shall the fact that certain coverages coming within the scope of property insurance as defined in subsection (1) are also defined as part of another kind of insurance be deemed to limit the scope of such definition of property insurance or the right of a property insurer to provide such coverages.

304.347 VEHICLE INSURANCE DEFINED: (1) Vehicle insurance is insurance against loss of or damage to any land vehicle or aircraft or any draft or riding animal or to property while contained therein or thereon or being loaded or unloaded therein or therefrom, and against any loss, expense or liability for loss or damage to per-

sons or property resulting from or incident to ownership, maintenance, or use of any such vehicle or aircraft or animal.

(2) Insurance against accidental death or accidental injury to individuals including the named insured, while in, entering, alighting from, adjusting, repairing, cranking, or caused by being struck by a vehicle, aircraft, or draft or riding animal, if such insurance is issued as part of insurance on the vehicle, aircraft, or draft or riding animal, shall be deemed to be vehicle insurance.

304.348 CASUALTY INSURANCE DEFINED: Casualty insurance includes vehicle insurance as defined in KRS 304.347, disability insurance as defined in KRS 304.342, and in addition is:

(1) *Liability Insurance*: Insurance against legal liability for the death, injury, or disability of any human being, or for damage to property; and insurance of medical, hospital, surgical and funeral benefits to persons injured, irrespective of legal liability of the insured, when issued as an incidental coverage with or supplemental to liability insurance.

(2) *Workmen's Compensation and Employer's Liability*: Insurance of the obligations accepted by, imposed upon, or assumed by employers under law for death, disablement, or injury of employees.

(3) *Burglary and Theft*: Insurance against loss or damage by burglary, theft, larceny, robbery, forgery, fraud, vandalism, malicious mischief, confiscation or wrongful conversion, disposal or concealment, or from any attempt of any of the foregoing; also insurance against loss of or damage to monies, coins, bullion, securities, notes, drafts, acceptances or any other valuable papers or documents, resulting from any cause, except while in the custody or possession of and being transported by any carrier for hire or in the mail.

(4) *Personal Property Floater*: Insurance of individuals by an all-risk type of policy commonly known as the "Personal Property Floater" against any and all kinds of loss of or damage to, or loss of use of, any personal property other than merchandise.

(5) *Glass Insurance*: Insurance against loss of or damage to glass and its appurtenances resulting from any cause.

(6) *Boiler Insurance:* Insurance against any liability and loss

or damage to property resulting from accidents to or explosion of boilers, pipes, pressure containers, machinery, or apparatus, and to make inspection of and issue certificates of inspection upon boilers, machinery and apparatus of any kind, whether or not insured.

(7) *Water Damage*: Insurance against loss of or damage to any property caused by the breakage or leakage of sprinklers, water pipes and other apparatus, or by water entering through leaks or openings in buildings, other than flood waters.

(8) *Credit Insurance*: Insurance against loss or damage resulting from failure of debtors to pay their obligations to the insured.

(9) *Elevator Insurance*: Insurance against loss of or damage to any property of the insured, resulting from the ownership, maintenance or use of elevators, except loss or damage by fire, and to make inspection of and issue certificates of inspection upon, elevators.

(10) *Livestock Insurance*: Insurance against loss of or damage to any domesticated or wild animal resulting from any cause.

(11) *Collision Insurance*: Insurance against loss of or damage to any property of the insured resulting from collision of any other object with such property, but not including collision to or by elevators, or to or by vessels, craft, piers or other instrumentalities of ocean or inland navigation.

(12) *Malpractice Insurance*: Insurance against legal liability of the insured, and against loss, damage or expense incident to a claim of such liability, and including any obligation of the insured to pay medical, hospital, surgical and funeral benefits to injured persons, irrespective of legal liability of the insured, arising out of the death or injury of any person, or arising out of injury to the economic interest of any person as the result of negligence in rendering expert, fiduciary or professional service.

(13) Insurance against any other kind of loss, damage, or liability properly the subject of insurance and not within any other kind or kinds of insurance as defined in this article, if such insurance is not disapproved by the commissioner as being contrary to law or public policy.

304.350 SURETY INSURANCE DEFINED: Surety insurance includes:

(1) Credit insurance as defined in subsection (8) of KRS 304.348.

(2) Fidelity insurance, which is insurance guaranteeing the fidelity of persons holding positions of public or private trust.

(3) Guaranteeing the performance of contracts, and guaranteeing and executing bonds, undertakings, and contracts of suretyship.

(4) Indemnifying banks, bankers, brokers, financial or moneyed corporations or associations or other persons against loss resulting from any cause of bills of exchange, notes, bonds, securities, evidences of debts, deeds, mortgages, warehouse receipts, or other valuable papers, documents, money, precious metals and articles made therefrom, jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones, including any loss while the same are being transported in armored motor vehicles, or by messenger, but not including any other risks of transportation or navigation; also against loss or damage to such an insured's premises, or to his furnishings, fixtures, equipment, safes and vaults therein, caused by burglary, robbery, theft, vandalism or malicious mischief, or any attempt thereat.

304.352 TITLE INSURANCE DEFINED: Title insurance is insurance of owners of property or others having an interest therein, or liens or encumbrances thereon, against loss by encumbrance, or defective titles, or adverse claim to title, and services connected therewith.

304.354 REINSURANCE: Complete copies of reinsurance treaties and contracts shall, at his request, be filed with and approved by the commissioner.

304.356 LIMIT OF RISK: (1) No insurer shall retain any risk on any one subject of insurance, whether located or to be performed in this state or elsewhere, in an amount exceeding ten percent (10%) of its surplus to policyholders, except that:

(a) Domestic mutual vehicle insurers in process of being formed may insure up to the applicable limits provided by KRS 304.165.

(2) For the purposes of this section, a subject of insurance as to insurance against fire or other hazard insured against includes all properties insured by the same insurer which are customarily considered by underwriters to be subject to loss or damage from the same fire or other hazard insured against.

(3) Reinsurance authorized under KRS 304.385 may be deducted in determining risk retained. As to surety risks deduction may also be made of the amount assumed by any co-surety and the value of any security deposited, pledged, or held subject to the surety's consent and for the surety's protection.

(4) This section shall not apply to life, disability, or title insurance or to insurance of marine risks, or marine protection and indemnity risks, nor to workmen's compensation.

(5) For the purpose of this section, 'surplus to policyholders' shall (a) be deemed to include any voluntary reserves, or any part thereof, which are not required by or pursuant to law, and (b) be determined from the last sworn statement of such insurer on file with the commissioner pursuant to law, or by the last report of examination filed by the commissioner, whichever is more recent at the time of assumption of such risk. In applying the limitation of risk provisions of this section to alien insurers, such provisions shall be deemed to refer to the exposure to risk and to the surplus to policyholders of the United States branch of such alien insurer.

ARTICLE TEN
ASSETS AND LIABILITIES

304.365 "ASSETS" DEFINED: In any determination of the financial condition of any insurer there shall be allowed as assets only such assets as belong wholly and exclusively to the insurer, and which consist of:

(1) Cash in the possession of the insurer or in transit under its control, and the true balance of any deposit of the insurer in a solvent bank or trust company subject to KRS 304.424;

(2) Investments, securities, properties, and loans acquired or held in accordance with this code, and in connection therewith the following items:

(a) Interest due or accrued on any bond or evidence of indebt-

edness which is not in default and which is not valued on a basis including accrued interest.

(b) Declared and unpaid dividends on stocks and shares unless such amount has otherwise been allowed as an asset.

(c) Interest due or accrued upon a collateral loan in an amount not to exceed one (1) year's interest thereon.

(d) Interest due or accrued on deposits in solvent banks and trust companies, and interest due or accrued on other assets if such interest is in the judgment of the commissioner a collectible asset.

(e) Interest due or accrued on a mortgage loan, in amount not exceeding in any event the amount, if any, of the excess of the value of the property less delinquent taxes thereon over the unpaid principal; but in no event shall interest accrued for a period in excess of eighteen (18) months be allowed as an asset.

(f) Rent due or accrued on real property if such rent is not in arrears for more than three (3) months, unless such rent is secured by property held in the name of the tenant and conveyed to the insurer as collateral.

(3) Premium notes, policy loans, and other policy assets and liens on policies of life insurance, in amount not exceeding the legal reserve and other policy liabilities carried on each individual policy;

(4) The net amount of uncollected and deferred premiums and annuity considerations in the case of a life insurer, corresponding to the basis on which reserves are held;

(5) Premiums in the course of collection, other than for life insurance, not more than ninety (90) days past due, less commissions payable thereon. The foregoing limitation shall not apply to premiums payable directly or indirectly by the United States government or any of its instrumentalities;

(6) Installment premiums other than life insurance premiums, in accordance with regulations prescribed by the commissioner;

(7) Notes and like written obligations not past due, taken for premiums other than life insurance premiums on policies permitted to be issued on such basis, to the extent of the unearned premium reserves carried thereon and unless otherwise required by regulation prescribed by the commissioner;

(8) The full amount of reinsurance recoverable by a ceding insurer from a solvent reinsurer not disqualified to take such reinsurance under this code; or, in the case of reinsurers disqualified under this code, so much of reinsurance recoverable from such reinsurer as does not exceed the liabilities carried by the ceding insurer for amounts withheld under a reinsurance treaty with such reinsurer as security for the payment of obligations thereunder if such funds are held subject to withdrawal by, and under the control of, the ceding insurer;

(9) Amounts receivable by an assuming insurer representing funds withheld by a solvent ceding insurer under a reinsurance treaty;

(10) Deposits or equities recoverable from underwriting associations, syndicates and reinsurance funds, or from any suspended banking institutions, to the extent deemed by the commissioner available for the payment of losses and claims and at values to be determined by him;

(11) Other assets, not inconsistent with the foregoing provisions, deemed by the commissioner available for the payment of losses and claims, at values to be determined by him; and

(12) All assets, whether or not consistent with the foregoing, as may be allowed pursuant to the annual statement form provided for in KRS 304.105.

Admitted assets may be allowed as deductions from corresponding liabilities and liabilities may be charged as deductions from assets and deductions from assets may be charged as liabilities, in accordance with the form of annual statement applicable to such insurer as prescribed by the commissioner, or otherwise in his discretion. The commissioner may make official regulations prescribing the application of the provisions of this section.

304.366 "ASSET" NOT ALLOWED: The following expressly

shall not be allowed as assets in any determination of the financial condition of an insurer:

(1) Goodwill, trade names, agency plants and other like intangible assets.

(2) Prepaid or deferred charges for expenses and commissions paid by the insurer except the unaccrued portion of taxes paid prior to due date, on real property acquired or used pursuant to KRS 304.437.

(3) Advances to officers or directors (other than policy loans); and advances to employees, agents and other persons on personal security only.

(4) Stock of such insurer, owned by it, or any equity therein or loans secured thereby, or any proportionate interest in such stock through the ownership by such insurer of an interest in another firm, corporation or business unit.

(5) Furniture, furnishings, fixtures, safes, equipment, vehicles, library, stationery, literature, and supplies; except, such personal property as the insurer is permitted to hold pursuant to item (f) of subsection (1) of KRS 304.437, or which is acquired through foreclosure of chattel mortgages acquired pursuant to KRS 304.435, or which is reasonably necessary for the maintenance and operation of real estate lawfully acquired and held by the insurer other than real estate used by it for home office, branch office, and similar purposes.

(6) The amount, if any, by which the aggregate book value of investments as carried in the ledger assets of the insurer exceeds the aggregate value thereof as determined under this code.

304.367 LIABILITIES: In any determination of the financial condition of an insurer, liabilities to be charged against its assets shall include:

(1) The amount of its capital stock outstanding, if any; and

(2) the amount, estimated consistent with the provisions of this article, necessary to pay all of its unpaid losses and claims incurred on or prior to the date of statement, whether reported or unreported, together with the expenses of adjustment or settlement thereof; and

(3) with reference to life and disability insurance, and annuity contracts,

(a) the amount of reserves on life insurance policies and annuity contracts in force, valued according to the tables of mortality, rates of interest, and methods adopted pursuant to this article which are applicable thereto;

(b) reserves for disability benefits, for both active and disabled lives;

(c) reserves for accidental death benefits, and

(d) any additional reserves which may be required by the commissioner, consistent with usual and customary practice; and

(4) with reference to insurances other than those specified in subsection (3) of this section, and other than title insurance, the amount of reserves equal to the unearned portions of the gross premiums charged on policies in force, computed in accordance with this article; and

(5) taxes, expenses, and other obligations accrued at the date of the statement; and

(6) if the commissioner should require reserves in addition to or greater than reserves as set up by the insurer, the commissioner may grant the insurer a specified reasonable period of time within which to so increase such reserves, if he finds that such an extension of time would not be prejudicial to the interests of the insurer's policyholders.

304.369 UNEARNED PREMIUM RESERVE: (1) With reference to insurance against loss or damage to property, except as provided in KRS 304.370, and with reference to all casualty insurances, disability insurance except as provided in KRS 304.371 and KRS 304.383, and surety insurances, every insurer shall maintain an unearned premium reserve on all policies in force.

(2) The portions of the gross premiums in force, less authorized reinsurance, to be held as an unearned premium reserve, shall be computed according to the following table:

Term for which Policy is in Force		Reserve for unearned premium
One year, or less		1/2
Two years	First year	3/4
	Second year	1/4
Three years	First year	5/6
	Second year	1/2
	Third year	1/6
Four years	First year	7/8
	Second year	5/8
	Third year	3/8
	Fourth year	1/8
Five years	First year	9/10
	Second year	7/10
	Third year	1/2
	Fourth year	3/10
	Fifth year	1/10
Over five years		Pro Rata

(3) In lieu of computation according to such table, all of such reserves may be computed, at the insurer's option, on a monthly pro rata basis.

(4) After adopting any one of the methods for computing such reserve an insurer shall not change methods without the commissioner's approval.

304.370 UNEARNED PREMIUM RESERVE—CARGO AND TRANSPORTATION: With reference to insurance on any cargo or property in course of transportation, premiums on trip risks not terminated shall be deemed unearned, and the commissioner may require the insurer to carry a reserve thereon equal to one hundred per cent (100%) on trip risks written during the month ended as of the date of statement.

304.371 RESERVES — NONCANCELLABLE DISABILITY INSURANCE: (1) The legal minimum standard for computing the active life reserve, including the unearned premium reserve, of noncancellable disability policies shall be based on Conference Modification of Class III Disability Experience with interest at not to exceed three and one-half per cent (3½%) per annum on the full preliminary term basis.

(2) For policies with a waiting period of less than three (3) months or providing benefits at ages beyond the limits of Conference Modification of Class III Disability Experience, the tables shall be extended to cover the provisions of such policies on such basis as the commissioner may approve.

(3) The reserve for losses under noncancellable disability policies shall be based on Conference Modification of Class III Disability Experience, except that for claims of less than twenty-seven (27) month's duration the reserve may be taken as equivalent to the prospective claim payments for three and one-half (3½) times the elapsed period of disability; but in no case shall the reserve be less than the equivalent of seven (7) weeks' claim payments.

(4) The commissioner shall modify the application of the tables and requirements prescribed in this section to policies or to claims arising under policies in accordance with the waiting period contained in such policies and in accordance with any limitations as to the time for which indemnity is payable.

304.372 LOSS RECORDS: An insurer shall maintain a complete and itemized record showing all losses and claims as to which it has received notice, including with regard to property, casualty, and surety insurances, all notices received of the occurrence of any event which may result in a loss.

304.373 INCREASED RESERVES: (1) If the commissioner determines that an insurer's unearned premium reserves, however computed, are inadequate, he may require the insurer to compute such reserves or any part thereof according to such other method or methods as are prescribed in this article.

(2) If the loss experience of an insurer shows that its loss reserves, however estimated, are inadequate, the commissioner shall require the insurer to maintain loss reserves in such increased amount as is needed to make them adequate.

304.375 LOSS RESERVE—LIABILITY INSURANCES: The reserves for outstanding losses and loss expenses under policies of personal injury liability insurance and under policies of employer's liability insurance shall be computed as follows:

(1) For all liability suits being defended under policies written:

(a) Ten (10) years or more prior to the date of determination, one thousand five hundred dollars ($1,500) for each suit;

(b) Five (5) or more and less than ten (10) years prior to the date of determination, one thousand dollars ($1,000) for each suit;

(c) Three (3) or more and less than five (5) years prior to the date of determination, eight hundred fifty dollars ($850) for each suit. In any event the total loss and loss expense reserves for all such liability policies written more than three (3) years prior to the date of determination shall be not less than the aggregate of the estimated unpaid losses and loss expenses under such policies computed on an individual case basis.

(2) For all liability policies written during the three (3) years immediately preceding the date of determination, such reserves shall be the sum of the reserves for each such year, which shall be sixty per cent (60%) of the earned premiums on liability policies written during such year less all loss and loss expense payments made under such policies written in such year. In any event such reserves for each of such three (3) years shall be not less than the aggregate of the estimated unpaid losses and loss expenses for claims incurred under liability policies written in the corresponding year computed on an individual case basis.

304.376 UNALLOCATED LIABILITY LOSS EXPENSE: All unallocated liability loss expense payments shall be distributed as follows:

(1) If made in a given calendar year subsequent to the first four (4) years in which an insurer has been issuing liability policies, thirty-five per cent (35%) shall be charged to the policies written that year, forty per cent (40%) to the policies written in the preceding year, ten per cent (10%) to the policies written in the second year preceding, ten per cent (10%) to the policies written in the third year preceding and five per cent (5%) to the policies written in the fourth year preceding.

(2) If made in each of the first four (4) calendar years in which an insurer issues liability policies, in the first calendar

year one hundred per cent (100%) shall be charged to the policies written in that year; in the second calendar year fifty per cent (50%) shall be charged to the policies written in that year and fifty per cent (50%) to the policies written in the preceding year; in the third calendar year forty per cent (40%) shall be charged to the policies written in that year, forty per cent (40%) to the policies written in the preceding year, and twenty per cent (20%) to the policies written in the second year preceding; and in the fourth calendar year thirty-five per cent (35%) shall be charged to the the policies written in that year, forty per cent (40%) to the policies written in the preceding year, fifteen per cent (15%) to the policies written in the second year preceding and ten per cent (10%) to the policies written in the third year preceding.

A schedule showing such distribution shall be included in the annual statement.

304.378 SCHEDULE OF EXPERIENCE: Any insurer transacting any liability or Workmen's Compensation insurances shall include in its annual statement filed with the commissioner, a schedule of its experiences thereunder in such form as the commissioner may prescribe.

304.379 LOSS RESERVE—WORKMEN'S COMPENSATION INSURANCE: The loss reserve for Workmen's Compensation insurance shall be as follows:

(1) For all compensation claims under policies of compensation insurance written more than three (3) years prior to the date as of which the statement is made, the loss reserve shall be the present values at four per cent (4%) interest of the determined and the estimated future payments.

(2) For all compensation claims under policies of compensation insurance written in the three (3) years immediately preceding the date as of which the statement is made, the loss reserve shall be sixty-five per cent (65%) of the earned compensation premiums of each of such three (3) years, less all loss and loss expense payments made in connection with such claims under policies written in the corresponding years; but in any event such reserve shall be not less than the present value at three and one-half per cent

(3½%) interest of the determined and the estimated unpaid compensation claims under policies written during each of such years.

304.380 UNALLOCATED WORKMEN'S COMPENSATION LOSS EXPENSE: All unallocated Workmen's Compensation loss expense payments shall be distributed as follows:

(1) If made in a given calendar year subsequent to the first three (3) years in which an insurer has been issuing such compensation policies, forty per cent (40%) shall be charged to the policies written in that year, forty-five per cent (45%) to the policies written in the preceding year, ten per cent (10%) to the policies written in the second year preceding and five per cent (5%) to the policies written in the third year preceding.

(2) If made in each of the first three (3) calendar years in which an insurer issues compensation policies, in the first calendar year one hundred per cent (100%) shall be charged to the policies written in that year; in the second calendar year fifty per cent (50%) shall be charged to the policies written in that year, and fifty per cent (50%) to the policies written in the preceding year; in the third calendar year forty-five per cent (45%) shall be charged to the policies written in that year, forty-five per cent (45%) to the policies written in the preceding year and ten per cent (10%) to the policies written in the second year preceding.

A schedule showing such distribution shall be included in the annual statement.

304.381 "LOSS PAYMENTS" — "LOSS EXPENSE PAYMENTS" DEFINED: "Loss payments" and "loss expense payments" as used with reference to liability and Workmen's Compensation insurances shall include all payments to claimants, payments for medical and surgical attendance, legal expenses, salaries and expenses of investigators, adjusters and claim field men, rents, stationery, telegraph and telephone charges, postage, salaries and expenses of office employees, home office expenses and all other payments made on account of claims whether such payments are allocated to specific claims or are unallocated.

304.383 STANDARD VALUATION LAW—LIFE:

(1) **Annual Valuation**: The commissioner shall annually value, or cause to be valued, the reserve liabilities (hereinafter called

reserves) for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurer doing business in this state (except that in the case of an alien insurer such valuation shall be limited to its United States business), and may certify the amount of any such reserve, specifying the mortality table or tables, rate or rates of interest and methods (net level premium method or other) used in the calculation of such reserves. In calculating such reserves, he may use group methods and approximate averages for fractions of a year or otherwise. In lieu of the valuation of the reserves herein required of any foreign or alien insurer, he may accept any valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when such valuation complies with the minimum standard herein provided and if the official of such state or jurisdiction accepts as sufficient and valid for all legal purposes the certificate of valuation of the commissioner when such certificate states the valuation to have been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by the law of that state or jurisdiction. The cost of making valuations under this section, not to exceed one cent per each one thousand dollars ($1,000) of insurance, shall be assessed on the insurer whose policies are so valued.

Any such insurer which at any time shall have adopted any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard herein provided may, with the approval of the commissioner adopt any lower standard of valuation, but not lower than the minimum herein provided.

(2) **Minimum Valuation Standard—Old Policies:** The minimum standard for the valuation of all such policies and contracts issued prior to the operative date of KRS 304.828 (the Standard Non-Forfeiture Law) shall be that provided by the laws in effect immediately prior to such date. Reserves for all such policies and contracts may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by this subsection.

(3) **Minimum Valuation Standard—New Policies:** This subsection shall apply to only those policies and contracts issued on or after the operative date of KRS 304.828 (The Standard Non-Forfeiture Law).

(a) The minimum standard for the valuation of all such policies and contracts shall be the commissioner's reserve valuation method defined in paragraph (b), three and one-half percent interest, and the following tables:

(i) For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies—the Commissioners' 1941 Standard Ordinary Mortality Table.

(ii) For all industrial life insurance policies issued on the standard basis, excluding any disability and accidental death benefits in such policies—the 1941 Standard Industrial Mortality Table.

(iii) For annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies—the 1937 Standard Annuity Mortality Table.

(iv) For total and permanent disability benefits in or supplementary to ordinary policies or contracts—Class Three Disability Table (1926) which, for active lives, shall be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(v) For accidental death benefits in or supplementary to policies—the Inter-Company Double Indemnity Mortality Table combined with a mortality table permitted for calculating the reserves for life insurance policies.

(vi) For group life insurance, life insurance issued on the substandard basis and other special benefits—such tables as may be approved by the commissioner.

(b) Reserves according to the commissioner's reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums shall be the excess, if any, of the present value at the date of valuation, of such future guaranteed benefits provided for by such policies, over the then present value

of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided for by the policy and the excess of (A) over (B), as follows:

(A) A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due; provided, however, that such net level annual premium shall not exceed the net level annual premium on the nineteen year premium whole life plan for insurance of the same amount at an age one year higher than the age at issue of such policy.

(B) A net one year term premium for such benefits provided for in the first policy year.

Reserves according to the commissioner's reserve valuation method for (1) life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums, (2) annuity and pure endowment contract, (3) disability and accidental death benefits in all policies and contracts, and (4) all other benefits, except life insurance and endowment benefits in life insurance policies, shall be calculated by a method consistent with the principles of this paragraph (b).

(c) In no event shall a company's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits be less than the aggregate reserves calculated in accordance with the method set forth in paragraph (b) and the mortality table or tables and rate or rates of interest used in calculating nonforfeiture benefits for such policies.

(d) Reserves for any category of policies, contracts or benefits as established by the commissioner, may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for such category than those calculated according to the minimum standard herein provided, but the rate or rates of interest used shall not be higher than the corresponding

rate or rates of interest used in calculating any non-forfeiture benefits provided for therein. Provided, however, that reserves for participating life insurance policies may, with the consent of the commissioner, be calculated according to a rate of interest lower than the rate of interest used in calculating the non-forfeiture benefits in such policies, with the further proviso that if such lower rate differs from the rate used in the calculation of the non-forfeiture benefits by more than one-half percent the insurer issuing such policies shall file with the commissioner a plan providing for such equitable increases, if any, in the cash surrender values and non-forfeiture benefits in such policies as the commissioner shall approve.

(e) If the gross premium charged by any life insurer on any policy or contract is less than the net premium for the policy or contract according to the mortality table, rate of interest and method used in calculating the reserve thereon, there shall be maintained on such policy or contract a deficiency reserve in addition to all other reserves required by law. For each such policy or contract the deficiency reserve shall be the present value, according to such standard, of an annuity of the difference between such net premium and the premium charged for such policy or contract, running for the remainder of the premium-paying period.

304.385 RESERVE CREDIT FOR REINSURANCE: An insurer may take credit for reserves on risks ceded to a reinsurer to the extent reinsured, except that:

(1) no credit shall be allowed as to reinsurance in an insurer not authorized to transact insurance in at least one state of the United States, or in any reinsurer which has been disapproved by the commissioner, nor unless any tax required by KRS 304.465 as to reinsurance by domestic mutual insurers has been paid.

(2) No credit shall be allowed, as an asset or as a deduction from liability, to any ceding insurer for reinsurance unless the reinsurance is payable by the assuming insurer on the basis of the liability of the ceding insurer under the contracts reinsured without diminution because of the insolvency of the ceding insurer.

A reinsurance agreement may provide that the liquidator or receiver or statutory successor of an insolvent ceding insurer shall give written notice of the pendency of a claim against the insolvent

ceding insurer on the policy or bond reinsured within a reasonable time after such claim is filed in the insolvency proceeding and that during the pendency of such claim any assuming insurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses which it may deem available to the ceding insurer or its liquidator or receiver or statutory successor.

The expense thus incurred by the assuming insurer shall be chargeable subject to court approval against the insolvent ceding insurer as a part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to the ceding insurer solely as a result of the defense undertaken by the assuming insurer.

Where two or more assuming insurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of the reinsurance agreement as though such expense had been incurred by the ceding insurer.

304.387 VALUATION OF BONDS: (1) All bonds or other evidences of debt having a fixed term and rate held by any insurer may, if amply secured and not in default as to principal or interest, be valued as follows:

(a) If purchased at par, at the par value.

(b) If purchased above or below par, on the basis of the purchase price adjusted so as to bring the value to par at the earliest date callable at par or maturing at par and so as to yield in the meantime the effective rate of interest at which the purchase was made; or in lieu of such method, according to such accepted method of valuation as is approved by the commissioner.

(c) Purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase, plus actual brokerage, transfer, postage or express charges paid in the acquisition of such securities.

(d) Unless otherwise provided by a valuation established or approved by the National Association of Insurance Commissioners, no such security shall be carried at above call price for the entire issue during any period within which the security may be so called.

(2) The commissioner shall have full discretion in determining the method of calculating values according to the rules set forth in this section.

304.388 VALUATION OF OTHER SECURITIES: (1) Securities, other than those referred to in KRS 304.387 held by an insurer shall be valued, in the discretion of the commissioner, at their market value, or at their appraised value, or at prices determined by him as representing their fair market value, all consistent with any usual and customary method for the valuation of any such security.

(2) Preferred or guaranteed stocks or shares while paying full dividends may be carried at a fixed value in lieu of market value, at the discretion of the commissioner and in accordance with such method of computation as he may approve.

(3) The stock of a subsidiary of an insurer acquired after the effective date of this code shall be valued on the basis of the value of only such of the assets of such subsidiary as would constitute lawful investments for the insurer if acquired or held directly by the insurer.

304.389 VALUATION OF PROPERTY: (1) Real property acquired pursuant to a mortgage loan or a contract for a deed, in the absence of a recent appraisal deemed by the commissioner to be reliable, shall not be valued at an amount greater than the unpaid principal of the defaulted loan or contract at the date of such acquisition, with accrued interest thereon for not in excess of eighteen (18) months, together with any taxes and expenses paid or incurred in connection with such acquisition, and the cost of improvements thereafter made by the insurer and any amounts thereafter paid by the insurer on assessments levied for improvements in connection with the property.

(2) Other real property held by an insurer shall not be valued at any amount in excess of fair value.

(3) Personal property acquired pursuant to chattel mortgages made under KRS 304.435 shall not be valued at an amount greater than the unpaid balance of principal on the defaulted loan at date of acquisition together with taxes and expenses incurred in con-

nection with such acquisition or the fair value of such property, which ever amount is the lesser.

304.390 VALUATION OF PURCHASE MONEY MORTGAGES: Purchase money mortgages on real property referred to in subsection (1) of KRS 304.389 shall be valued in an amount not exceeding the acquisition cost of the real property covered thereby or ninety per cent (90%) of the fair value of such real property, whichever is less.

ARTICLE ELEVEN

INVESTMENTS

304.400 SCOPE OF ARTICLE: Except as provided in KRS 304.453, this article applies to domestic insurers only. This article shall not apply to title insurers except as stated in article twenty-seven of this code.

304.401 ELIGIBLE INVESTMENTS: (1) Insurers shall invest in or loan their funds on the security of, and shall hold as assets, only eligible investments as prescribed in this article.

(2) Any particular investment held by an insurer on the effective date of this code and which was a legal investment at the time it was made, shall be deemed a legal investment hereunder.

(3) The eligibility of an investment shall be determined as of the date of its making or acquisition.

(4) Any limitation based upon the amount of the insurer's assets shall relate to assets as shown by the insurer's annual statement as of the December 31st preceding date of investment.

304.402 GENERAL QUALIFICATIONS: No provision of this article shall prohibit the acquisition by an insurer of other or additional securities or property if received as a dividend or as a lawful distribution of assets, or if acquired pursuant to a lawful and bona fide agreement of bulk reinsurance, merger, or consolidation. Any investments so acquired which are not otherwise eligible under this article, shall be disposed of pursuant to KRS 304.450 if personal property or securities, or pursuant to KRS 304.449 if real property.

304.403 INVESTMENT LIMIT, ANY ONE PERSON: (1) Except as otherwise expressly limited, an insurer shall not have at

any time any combination of investments in or loans upon the security of the obligations, property, and securities of any one person, institution, or municipal corporation aggregating an amount exceeding four per cent (4%) of the insurer's assets. This section shall not apply to investments in, or loans upon the security of general obligations of the government of the United States or of any state of the United States, nor to investments in foreign securities pursuant to KRS 304.406, nor include policy loans made pursuant to KRS 304.429.

(2) Subject to the general limitation set forth in subsection (1) of this section, an insurer shall not at any one time, in any manner, own, or have loaned upon the security of, over five per cent (5%) of the outstanding voting stock of any corporation.

304.404 UNITED STATES OBLIGATIONS: Any insurer may invest its funds in bonds, notes, warrants and other securities which are the direct obligations of the Government of the United States of America, or for which the faith and credit of such Government are pledged for the payment of principal and interest.

304.406 STATE, CANADIAN AND PROVINCIAL OBLIGATIONS: Subject to the limitation as to amount set forth in subsection (2) of KRS 304.408, an insurer may invest its funds in the bonds, notes, warrants and other securities which are the direct obligations of any state of the United States or of the District of Columbia, or of the Government of Canada or any province thereof, or for which the full faith and credit of such state, District, Government or province has been pledged for the payment of principal and interest, if no default on the part of the issuer in payment of principal or interest has occurred on any of its bonds, notes, warrants or other securities within five (5) years prior to the date of investment therein.

304.407 COUNTY, MUNICIPAL, SCHOOL OBLIGATIONS: Subject to the limitations as to amount set forth in subsection (2) of KRS 304.408, an insurer may invest its funds in the bonds, notes, warrants and other securities of any county, incorporated city, or school district in any state of the United States, or the District of Columbia, or in any province of Canada, which are the direct obligations of such county, District, city, or school district and for payment of the principal and interest of which the county, District,

city, or school district has lawful authority to levy taxes or make assessments, if within the five (5) years immediately preceding the date of investment, the county, District, city, or school district has not defaulted in the payment of principal or interest of any of its bonds, notes, warrants or other securities.

304.408 PUBLIC IMPROVEMENT BONDS: (1) An insurer may invest its funds in bonds which are payable from revenues or earnings specifically pledged therefor of any public toll bridge, structure, or improvement owned by any state, incorporated city, or legally constituted public corporation or commission, all within the United States, for the payment of the principal and interest of which a lawful sinking fund has been established and is being maintained, and if no default on the part of the issuer in payment of principal or interest has occurred on any of its bonds, notes, warrants or other securities, within five years prior to the date of investment therein.

(2) An insurer may not invest or have invested at any one time, more than twenty-five per cent (25%) of its assets in all securities provided for in this section and in KRS 304.406 (State, Canadian, Provincial Obligations) and 304.407 (County, Municipal and School Obligations).

304.411 PUBLIC UTILITY SECURITIES: An insurer may invest and have invested at any one time not in excess of an aggregate of twenty per cent (20%) of its assets in the bonds or other evidences of indebtedness of any telegraph or telephone corporation, or corporation engaged in furnishing gas, electricity, heat, light, power, water or transportation directly or indirectly, to the public in a city in the United States or Canada, adequately secured by first mortgage or pledge of property of the corporation issuing them, or by adequate collateral, and in any such corporation's debentures subject to the same qualifications as are stated in subsections (3) and (4) of KRS 304.415, if:

(1) No default in payment of principal or interest on the bonds or other evidences of indebtedness to be purchased has occurred within five years of the date of investment therein, or, if such bonds or other evidences of indebtedness were issued less than five years prior to the date of investment therein, since issuance; and

(2) The issue has been approved by the proper public authority if such approval was required by law at the time of issue.

304.412 RAILROAD SECURITIES: An insurer may invest and have invested at any one time not in excess of an aggregate of ten per cent (10%) of its assets in the bonds or other evidences of indebtedness of terminal, belt line and railroad companies in the United States or Canada, adequately secured by first mortgage or pledge of property of the corporation issuing them, or held in trust for its use or benefit, or by adequate collateral so secured, and in any such corporation's debentures subject to the same qualifications as are stated in subsections (3) and (4) of KRS 304.415, if:

(1) No default in payment of principal or interest on the bonds or other evidences of indebtedness to be purchased has occurred within five years of the date of investment therein, or, if such bonds or other evidences of indebtedness were issued less than five years prior to the date of investment therein, since issuance; and

(2) the issue thereof has been approved by the proper public authority if such approval was required by law at the time of issue.

304.413 RAILROAD EQUIPMENT SECURITIES: An insurer may invest and have invested at any one time not in excess of ten per cent (10%) of its assets in equipment securities evidencing rights to receive partial payments agreed to be made upon any contract of leasing or conditional sale of rolling stock for use by companies operating railroads in the United States or Canada, if:

(1) No default in payment of interest or principal of such securities has occurred within five years of the date of the investment therein, or since issuance, if such securities were issued within such five year period; and

(2) if the issue thereof has been approved by the proper public authority where such approval was required by law at the time of issue.

304.415 SECURITIES OF OTHER CORPORATIONS: An insurer may invest and have invested at any one time not in excess of an aggregate of twenty per cent (20%) of its assets in bonds, notes or debentures of solvent corporations, other than corporations referred to in KRS 304.411, 304.412, 304.413, existing under the laws of the United States or any state thereof, if:

(1) No default in payment of interest or principal on the bonds, notes or debentures to be purchased has occurred within five (5) years of the date of investment therein, or, if such bonds, notes or debentures were issued less than five years prior to the date of investment therein, since issuance; and

(2) such corporation and its predecessor organization or organizations, if any, have been in existence for ten years; and

(3) no part of the property of such corporation is subject to any lien or other obligation (except current taxes, mechanic's liens, and equipment trust certificates) entitled to priority of payment over said bonds, notes, or debentures; and

(4) the instrument evidencing such bond, note, or debenture provides that if the corporation at any time mortgages, pledges or otherwise subjects to any lien the whole or any material part of the property or assets owned by it, or thereafter acquired by it, it will secure the outstanding notes, bonds, or debentures ratably with the indebtedness secured by such mortgage, pledge, or lien, except that this provision shall not apply as to:

(a) purchase money mortgages and purchase money liens;

(b) pledges to or deposits with any court or government or agency thereof, and

(c) pledges to secure indebtedness incurred in the ordinary course of business and maturing in not more than one year.

304.417 PREFERRED STOCKS: An insurer may invest and have invested at any one time not in excess of an aggregate of ten per cent (10%) of its assets in securities provided for in KRS 304.418 (Bank Stocks) and in preferred stocks of any company organized under the laws of the United States, a state of the United States, or the District of Columbia, if such company has continuously and regularly paid the dividends provided for by such preferred stock during the five years preceding the investment; except, that with respect to preferred stocks issued within such five year period, the foregoing requirements as to dividend payments shall apply only from the date of issuance, and in such cases the net earnings of the company and its subsidiaries available for fixed charges of the company and its subsidiaries and the net earnings of any predecessor organizations and their subsidi-

aries, if any, available for fixed charges of such predecessor organizations and their subsidiaries, must have averaged an amount per annum for the five fiscal years preceding the making of the investment at least equal to two times the total of the annual interest charges (including amortization of debt discount and expense) and dividends guaranteed, if any, and the preferred dividend requirement on a pro forma basis.

For the purposes of this section, the term "net earnings available for fixed charges" means net income after deducting operating and maintenance expenses, taxes other than federal and state income taxes, depreciation and depletion, but excluding extraordinary non-recurring items of income or expense appearing in the regular financial statements of the issuing company.

304.418 BANK STOCKS: (1) An insurer may invest in the stocks of state or national banks and trust companies, if:

(a) such bank or trust company has been in existence for five years previous to the investment, and

(b) such stock is not subject to assessment for double liability.

(2) An insurer may accept any such stock as collateral on a loan irrespective of such double liability.

(3) Investments under this section together with investments in preferred stocks under KRS 304.417 shall not exceed ten per cent (10%) of the insurer's assets.

304.419 COMMON STOCKS: An insurer other than a life insurer may invest and have invested its funds in dividend-paying common stocks of solvent corporations not less than five years old at the time of the investment, organized and existing under the laws of the United States or a state of the United States, or Canada or any province thereof, not in excess of the following amounts:

(1) If a stock insurer, the amount of its surplus and capital in excess of the minimum capital required of it under this code.

(2) If a mutual or reciprocal insurer, an amount equal to that part of its surplus in excess of its minimum required surplus.

304.420 INSURANCE STOCKS: An insurer other than a life insurer may invest and have invested its funds in the common

stocks of solvent stock insurers organized and existing under the laws of any state of the United States or any province of Canada, not in excess of the following amounts:

(1) If a stock insurer, the amount of its surplus and capital in excess of the minimum capital required of it under this code.

(2) If a mutual or reciprocal insurer, an amount equal to that part of its surplus in excess of its minimum required surplus.

304.422 PROTECTIVE AGREEMENTS AND REORGANIZATION SECURITIES: (1) An insurer may enter into an agreement for the purpose of protecting its interests in securities lawfully held by it, or for the purpose of reorganization of the corporation which issued or is obligated on account of such securities, and may deposit such securities with a committee appointed under such an agreement.

(2) An insurer may accept corporate stocks, bonds, or other securities distributed pursuant to any such agreement or reorganization. Any securities so received which are otherwise ineligible as investments of the insurer shall be disposed of as provided in KRS 304.450.

304.424 DEPOSITS IN BANKS, SAVINGS AND LOAN: (1) An insurer may have as assets any of its cash funds on deposit in checking or savings account, under certificates of deposit or in any other form in banks and trust companies which have qualified for the insurance protection afforded by the Federal Deposit Insurance Corporation.

(2) An insurer may invest or deposit any of its funds in share or savings accounts of Federal Savings and Loan Associations which have qualified for the protection afforded by the Federal Savings and Loan Insurance Corporation; and in any domestic State Savings and Loan Associations which are eligible for the protection afforded by the Federal Savings and Loan Insurance Corporation.

(3) An insurer authorized to transact insurance in a foreign country may deposit and maintain on deposit in such country such funds as may be required for such authority and for the transaction of such business, but no such deposits shall be deemed assets of the insurer for the purposes of this code.

304.425 SURPLUS INVESTMENTS EXEMPT FROM CERTAIN LIMITATIONS: The percentage limitations set forth in subsection (2) of KRS 304.403 (Investment Limit, Any one Person), subsection (2) of KRS 304.408 (Public Improvement Bonds), 304.411 (Public Utility Securities), 304.412 (Railroad Securities), 304.413 (Railroad Equipment Securities), 304.415 (Securities of Other Corporations), 304.417 (Preferred Stocks) and 304.418 (Bank Stocks), shall not limit the investment by an insurer, other than a life insurer, of that part of its funds representing the excess of its surplus as to policyholders over the minimum capital funds required of such insurer under this code.

304.426 SECURITIES OF INTERNATIONAL BANK: An insurer may invest its funds in obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development.

304.428 SECURITIES OF FEDERAL AGENCIES: (1) An insurer may invest its funds in the bonds, debentures or other securities of:

(a) Federal Land Banks, issued under provisions of the Act of Congress entitled the "Federal Farm Loan Act" and approved July 17, 1916, and any Acts amendatory or supplemental to that Act.

(b) Any Federal Home Loan Bank, issued under provisions of the Act of Congress entitled the "Federal Home Loan Bank Act" and approved July 22, 1932.

(c) The Home Owners' Loan Corporation, created by the Act of Congress entitled "Home Owners' Loan Act of 1933", and approved June 13, 1933.

(d) Federal Intermediate Credit Banks, created by the Act of Congress entitled "Agricultural Credits Act of March 4, 1923."

(e) Public Housing Authorities, issued under the provisions of the Act of Congress entitled the "Housing Act of 1949" and approved July, 1949; the Municipal Housing Commission Act or the Rural Housing Commission Act, and any additional amendments or issued by any public housing authority or agency in the United States, if such bonds, debentures or other securities are secured by a pledge of annual contributions to be paid by the United States or any agency thereof.

(2) If any class of such bonds is secured, as to payment of principal and interest, by pledge of the faith and credit of the United States, such class of bonds shall be deemed to be eligible for investment under KRS 304.404 and shall not be included within the limitation as to amount invested as set forth in KRS 304.441.

304.429 POLICY LOANS: A life insurer may loan to its policyholder upon the pledge of the policy as collateral security, any sum not exceeding the cash surrender value specified in the policy.

304.430 COLLATERAL LOANS: (1) An insurer may loan its funds upon the pledge of securities or evidences of debt eligible for investment under this article. As of date made, no such loan shall exceed in amount eighty per cent (80%) of the market value of such collateral pledged.

(2) The amount so loaned shall be included in the maximum percentage of funds permitted under this article to be invested in the kinds of securities or evidences of debt pledged.

304.431 MORTGAGE LOANS AND CONTRACTS: (1) An insurer may invest its funds in:

(a) (I) Bonds, notes or other evidences of debt which are secured by first mortgages, liens, or deeds of trust on fee simple, unencumbered, improved or income producing real property located in the United States or in Canada;

(II) chattel mortgages in connection therewith pursuant to KRS 304.435;

(III) the equity of the seller of any such property, in the contract for a deed, covering the entire balance due on a bona fide sale of such property, in amount not to exceed ten thousand dollars ($10,000) or the amount permissible under KRS 304.403, whichever is greater, in any one such contract for deed, nor in excess of an amount equal to two-thirds of the actual sale price or fair value of the property, whichever is the smaller.

(b) Purchase money mortgages, vendor's liens, or like securities received by it upon the sale of real property acquired pursuant to KRS 304.437.

(c) Bonds or notes secured by mortgage or trust deed guaranteed or insured by, and debentures issued by, the Federal Housing

Administrator under the terms of an Act of Congress of the United States for June twenty-seventh, nineteen hundred thirty-four, entitled the "National Housing Act," as amended.

(d) Bonds or notes secured by mortgages or trust deed of real property, guaranteed or insured as to principal in whole or in part by the Administrator of Veteran's Affairs pursuant to the provisions of Title III of an Act of Congress of the United States of June twenty-second, nineteen hundred forty-four, entitled the "Servicemen's Readjustment Act of 1944", as amended

(2) No one such mortgage loan or investment shall exceed two per cent (2%) of the insurer's assets or five thousand dollars ($5,000), whichever is greater.

304.432 MORTGAGE LIMITED BY PROPERTY VALUE: (1) No mortgage loan or investment therein upon any one parcel of real property shall exceed, at the time of acquisition, sixty-six and two-thirds per cent (66-2/3%) of the fair value of the property, as shown by a valuation and appraisement in writing made under oath by at least two competent and impartial appraisers. This provision shall not apply as to purchase money mortgages.

(2) The extent to which a mortgage loan made under items (c) or (d) of subsection (1) of KRS 304.431 is guaranteed or insured by the Federal Housing Administration or guaranteed by the Administrator of Veterans' Affairs may be deducted before application of the limitation contained in this section.

(3) Nothing in this section shall be deemed to prohibit an insurer from renewing or extending a mortgage loan for the original or a less amount even though such amount is greater than two-thirds of the current fair value of the real property subject to such mortgage.

304.433 "ENCUMBRANCE" DEFINED: The following shall not be considered as prior liens or encumbrances on real property within the meaning of subsection (1) of KRS 304.431: Leasehold estates of any duration; reservations or exceptions of timber, coal, gas, oil and other mineral rights; rights of way, servitudes, joint driveways, easements, party-wall agreements; current taxes and assessments not delinquent; restrictions or conditions as to building, use and occupancy if there is not a right of reentry or forfeiture

for violation, or if there is protection against any such right of reentry or forfeiture through a policy of title insurance.

304.434 INSURANCE ON PROPERTY: If the fair value of the land mortgaged, exclusive of structures thereon, is not fifty per cent (50%) more than the amount loaned thereon, such structures shall be kept insured against damage or loss by fire in favor of the mortgagee, in an amount not less than the difference between two-thirds of the value of the land, exclusive of structures, and the amount loaned, or for the insurable value of such structures, whichever is the lesser, and the policy or policies shall be payable to and held by the lender or a trustee for its benefit and continued in force as long as the loan continues.

304.435 CERTAIN CHATTEL MORTGAGES: (1) In connection with a mortgage loan on the security of real property designed and used primarily for residential purposes only, acquired pursuant to KRS 304.431, an insurer may loan or invest an amount not exceeding twenty per cent (20%) of the amount loaned on or invested in such real property mortgage, on the security of a chattel mortgage for a term of not more than five (5) years representing a first and prior lien, except for taxes not then delinquent, on personal property constituting durable equipment owned by the mortgagor and kept and used in the mortgaged premises.

(2) The term "durable equipment" shall include only mechanical refrigerators, mechanical laundering machines, heating and cooking stoves and ranges, mechanical kitchen aids, vacuum cleaners, and fire extinguishing devices; and in addition in the case of apartment houses and hotels, room furniture and furnishings.

(3) Prior to aquisition of a chattel mortgage, items of property to be included shall be separately appraised by a competent appraiser and the fair market value thereof determined. No such chattel mortgage loan shall exceed in amount the same ratio of loan to the value of the property as is applicable to the companion loan on the real property.

304.437 REAL PROPERTY OWNED: (1) An insurer shall own or have its funds invested in ownership and repair, alteration, furnishing, or improvement of the following real property only:

(a) The building in which is located its home office and the

land upon which it is situated, together with such other real property as is requisite for its accommodation in the convenient transaction of its business, all subject to the provisions of KRS 304.438.

(b) Real property acquired in satisfaction or on account of loans, mortgages, liens, judgments, or other debts previously owing to the insurer in the course of its business.

(c) Real property acquired by gift or devise.

(d) Unencumbered real property acquired in exchange for real property owned by it. If necessary in order to consummate such an exchange, the insurer may put up cash in amount not to exceed twenty per cent (20%) of the fair value of its real property to be so exchanged, in addition to such property.

(e) Real property acquired through a lawful merger or consolidation with it of another insurer and not required for the purposes specified in item (a) of this subsection.

(f) Upon approval of the commissioner, real property and equipment incident to real property, requisite or desirable for the protection or enhancement of the value of other real property owned by the insurer.

(2) Except as provided in KRS 304.438, an insurer shall not have invested in any one parcel or related parcels of real property, acquired subsequent to June 14, 1934, or in the repair, alteration, furnishing, or improvement thereof, any of its funds in excess of five per cent (5%) of its assets.

304.438 REAL PROPERTY FOR HOME OFFICE AND BRANCH OFFICES: (1) Upon approval of the commissioner an insurer may invest its funds in real property for use as its home office, or for branch offices, and may sublet to others space in any such property not currently required for its needs.

(2) An insurer may so invest and be committed for investment in all such real property an amount not in excess of ten per cent (10%) of its assets.

304.441 AGGREGATE LIMITATION, MORTGAGE, REAL PROPERTY INVESTMENTS: An insurer shall not invest or have invested at any one time funds aggregating in excess of sixty per

cent (60%) of its assets in all of the following categories of investments:

(1) Mortgage loans on real property, chattel mortgages in connection therewith, and real estate contracts for a deed.

(2) Bonds of the Federal Land Banks, Federal Home Loan Bank, or Home Owners' Loan Corporation, except as to such bonds as qualify as general obligations of the United States under KRS 304.404.

(3) All real property owned, however acquired, and equipment incident thereto.

304.444 PROHIBITED INVESTMENTS: In addition to investments excluded under other provisions of this code, an insurer shall not invest in or loan its funds upon the security of:

(1) Issued shares of its own capital stock, except for the purpose of mutualization.

(2) Securities issued by an insolvent corporation.

(3) Any investment or security which is found by the commissioner to be designed to evade any prohibition of this code.

304.446 AUTHORIZATION OF INVESTMENTS: An insurer shall not make any loan or investment without approval of its finance or executive committee, or the approval of a majority of its directors present at a duly held meeting of directors. The secretary shall enter the approval or disapproval of each such member on the insurer's records.

304.448 PROHIBITED FEES, INTEREST, OR GUARANTY: No director or officer of any insurer shall receive any money or thing of value for negotiating, procuring, recommending or aiding in any purchase or sale by the insurer of any property or investment, or any loan from or to the insurer, nor be pecuniarily interested, either as principal, co-principal, agent, or beneficiary, in any such purchase, sale, or loan, nor shall such insurer guarantee in any manner any financial obligation of any such officer or director.

304.449 TIME LIMIT FOR DISPOSAL OF REAL PROPERTY: (1) Real property acquired by an insurer pursuant to paragraph (a) of subsection (1) of KRS 304.437, shall be disposed

of within four (4) years after it has ceased being used by the insurer in the transaction of its business. Real property acquired by an insurer pursuant to such loans, mortgages, liens, judgments, or other debts, or pursuant to paragraphs (b), (c), (d), and (e) of subsection (1) of KRS 304.437 shall be disposed of within five (5) years after date of acquisition. The time for any such disposal may be extended by the commissioner for a definite additional period or periods upon application and proof that forced sale of the property, otherwise necessary, would be against the best interests of the insurer.

(2) Any such real property held by the insurer without the commissioner's consent beyond the time permitted for its disposal shall not be carried or allowed as an asset.

(3) All property held by an insurer under this section shall be deemed to be property that is proper and necessary for carrying on its legitimate business within the meaning of KRS 271.145.

304.450 TIME LIMIT FOR DISPOSAL OF OTHER INELIGIBLE PROPERTY AND SECURITIES: (1) Any personal property or securities lawfully acquired by an insurer, which it could not otherwise have invested in or loaned its funds upon at the time of such acquisition, shall be disposed of by the insurer within four (4) years from date of acquisition, unless within such period the security has attained to the standard for eligibility. The commissioner, upon application and proof that forced sale of any such property or security would be against the best interests of the insurer, may extend the disposal period for an additional reasonable time.

(2) Any such property or security held by an insurer after expiration of the period for disposal thereof or any extension of such period granted by the commissioner, shall not be allowed as asset of the insurer.

(3) Any ineligible investment unlawfully acquired by an insurer shall be disposed of, and for failure so to do within thirty (30) days after order of the commissioner requiring such disposal, the commissioner may revoke or suspend the insurer's certificate of authority.

(4) For the purposes of subsection (3) of this section, an in-

vestment otherwise eligible shall not be deemed ineligible for the reason that it is in excess of the amount permitted under this article to be invested in the category of investments to which it belongs; and any such excess investment shall be disposed of within the time prescribed in subsection (1) of this section.

304.453 INVESTMENTS OF FOREIGN, ALIEN INSURERS: Foreign and alien insurers transacting insurance in this state shall have assets of the same general character as specified for domestic insurers, except that other investments authorized by the law of such an insurer's state of domicile or of entry into the United States, if an alien insurer, may be recognized as assets in the discretion of the commissioner.

ARTICLE TWELVE

FEES AND TAXES

304.460 FILING, LICENSE AND MISCELLANEOUS FEES: The commissioner shall collect in advance, and persons so served shall pay in advance to the commissioner, fees, licenses, and miscellaneous charges as follows:

(1) *Annual Statement of Insurer:*

(a) Filing, each year $25.00

(b) Filing additional or supplemental statement in same year $25.00

(2) *For filing charter documents:*

(a) Original charter documents, by-laws and record of organization of insurers, or certified copies thereof, required to be filed $30.00

(b) Amended charter documents, or certified copy thereof, no additional charge.

(3) *Certificate of Authority:*

(a) Issuance of original certificate $25.00

(b) Renewal, each year $ 1.00

(4) *Organization of Domestic Insurers:*

(a) Filing application for solicitation permit and issuance of such permit, mutual insurers $10.00

(5) *Agent's Licenses, Foreign and Alien Insurers:*

(a) License for life insurer, whether or not disability insurance is included, each year $ 5.00

(b) License for industrial life insurer only, each year $ 2.00

(c) License for other insurance, each insurer represented, each year $ 3.00

(d) Limited license as travel insurance agent, each year $ 2.00

(e) Temporary license as Agent $ 3.00

(f) Nonresident agent $10.00

(6) *Broker's Licenses:*

(a) Surplus line broker, each year $25.00

(7) *Solicitor's License,* each year $ 3.00

(8) *Adjuster's License:*

(a) Independent adjuster, each year $10.00

(b) Public adjuster, each year $10.00

(9) *Examination, for or in connection with licensing of agents, solicitors, and adjusters:*

(a) Each examination $ 3.00

(10) *Miscellaneous Services:*

(a) Filing other documents, each $ 1.00

(b) Commissioner's certificate under seal, other than certificates, licenses, and other documents above provided for, each $ 1.00

(c) For copies of any document on file with the commissioner, per folio $ .20

The commissioner shall promptly pay into the State Treasury all such fees, licenses, and charges collected by him.

304.465 TAX AS TO UNAUTHORIZED REINSURANCE: Each domestic mutual insurer shall file with the commissioner each year as a part of its annual statement, a report showing the premiums paid by it during the preceding calendar year to all reinsurers, and shall accompany such report with payment to this state of a tax of two per cent (2%) of the amount of premiums so paid to in-

surers not authorized to transact business in this state at the time such reinsurance was so ceded.

304.467 REVOCATION OF AUTHORITY FOR FAILURE TO PAY: The commissioner may revoke the certificate of authority of any insurer which fails to pay when due, any taxes, fees, licenses and other charges owing to this state. The commissioner shall likewise revoke the license of any agent, broker, solicitor, or adjuster as to whom, any tax or fee required under this code has not been paid when due.

ARTICLE THIRTEEN
DEPOSITS OF INSURERS

304.475 DEPOSITS OF INSURERS: (1) All deposits of assets of insurers required or permitted under this code and made in this state shall be made and maintained with the Custodian of Insurance Securities of this state, hereinafter called "custodian."

(2) In addition to deposits required for an insurer's authority to transact insurance in this state, an insurer may deposit and maintain with the custodian deposit of assets:

(a) Required of an insurer by the laws of other states as prerequisite for authority to transact insurance in such other states.

(b) Required by application of the retaliatory provision, KRS 304.110.

(c) In such additional amounts as is permitted by this article, or as expressly required by this code.

304.476 FOR POLICYHOLDERS AND STATES: (1) All such deposits shall be held by the custodian in trust for the benefit and protection of all of the insurer's policyholders and creditors in the United States.

(2) The deposit of a domestic insurer shall further be security for payment of taxes, assessments, forfeitures, fines, or other charges due and unpaid to this state or any other state in which the insurer has been authorized to transact insurance, and may be applied to such extent as may be necessary for such payment.

(3) Except, that deposits required pursuant to the retaliatory provision, KRS 304.110 may be limited to such uses and purposes as is consistent with such provision.

304.477 ASSETS ELIGIBLE FOR DEPOSIT: Kinds of assets may be deposited by an insurer as follows:

(1) Title to unencumbered real property lawfully acquired and held by the insurer under this code.

(2) Lawful money of the United States, and other securities of kinds in which the insurer may lawfully invest its funds under this code.

304.478 HOME OFFICE REAL PROPERTY AS DEPOSIT: (1) The commissioner may accept the home office real property of a domestic insurer as a part of any deposit of assets required of the insurer under this code. For such purpose the insurer shall convey such real property by deed to the commissioner, and the deed shall be duly recorded and deposited with the custodian.

(2) Real property so deposited shall not be sold or further encumbered by the insurer except upon advance approval of the commissioner after full submission of the purposes and detail of any such sale or encumbrance to the commissioner. The commissioner shall join in the execution of any deed or other document required to consummate such sale or encumbrance. Upon any such sale or encumbrance the insurer shall deposit other assets in lieu of such real property.

(3) Such real property shall be valued at its fair value as determined by the commissioner.

304.479 OTHER REAL PROPERTY AS DEPOSIT: (1) The insurer's policyholders and creditors in the United States, and this state and other states in which the insurer is authorized to transact insurance, shall have a first lien upon other real property, of which the evidence of the insurer's title is deposited by the insurer. The commissioner shall file proper notice of such lien with the county clerk of the county in which any such property is located.

(2) Such real property shall not be withdrawn, sold, or further encumbered unless other eligible assets of equal or greater value are desposited by the insurer in lieu therof. Upon any such withdrawal, sale, or encumbrance the commissioner shall execute a proper release of such property, which release shall be recorded in the office of such county clerk.

(3) For the purpose of determining the amount of deposit, such real property shall be valued at sixty per cent (60%) of its fair value as determined by the commissioner.

304.484 CUSTODIAN OF INSURANCE SECURITIES: (1) The Custodian of Insurance Securities shall be appointed by the Governor, in accordance with laws governing other executive appointments. He shall receive a salary of three hundred dollars ($300.00) per month, payable as are salaries of other employees of this state, but out of custodial expense funds provided by insurers pursuant to KRS 304.503.

(2) The custodian shall receive in his official capacity, all deposits made with him pursuant to this code.

(3) The custodian shall be available at all reasonable times in the branch office of the Department of Insurance maintained in a city of the first class.

304.485 CUSTODIAN'S DUTIES, BOND: (1) The custodian shall keep, deposit, account for and surrender, faithfully and in the manner provided by law, all assets so received by him or in his official custody.

(2) The custodian shall give to the state a bond in the penal sum of one hundred thousand dollars ($100,000) for the use and the benefit of insurers making deposits, their policyholders and creditors, and states secured by such deposit, conditioned upon proper discharge of his duties. The bond shall be one issued by an insurer authorized to transact such insurance in this state, and its form shall be subject to the approval of the Attorney General. Premiums on the bond shall be payable by this state out of custodial expense funds.

304.487 COMMONWEALTH NOT LIABLE FOR SAFEKEEPING: The Commonwealth of Kentucky shall not be liable for the safe custody of any assets deposited by an insurer.

304.489 DEPOSITORIES: (1) The commissioner shall designate at least one but not more than three banks or trust companies in each county of this state containing a city of the first class, whose vaults shall be used as depositories for assets of insurers deposited under this code.

(2) Each insurer depositing assets shall, at its own expense, rent space therefor in the vaults of the banks or trust companies so designated.

304.490 RECORD OF DEPOSITS: As to each insurer making or having a deposit the commissioner and custodian shall keep a complete record thereof showing:

(1) The particular assets so deposited;

(2) The face value, if any, of any such asset, and the value thereof as determined by the commissioner;

(3) Date of deposit, and place thereof;

(4) Assets withdrawn, date thereof, value of assets so withdrawn, and name and address of any person to whom such assets were delivered; and

(5) Such other information as the commissioner deems necessary.

304.492 INVENTORY, CERTIFICATE: (1) The commissioner may at any time inventory assets on deposit as to any insurer. Upon request of the insurer the commissioner shall make such an inventory at the insurer's expense, and shall furnish the insurer a copy thereof. All inventories shall be made in the presence of the commissioner and two representatives of the insurer designated for the purpose by its board of directors.

(2) Upon request, the custodian shall give to any insurer depositing assets a certificate thereof describing the assets and setting forth their par value, if any, and their value, which valuation shall be subject to the approval of the commissioner.

304.493 VALUATION; REPLENISHMENT: (1) All assets deposited shall be valued by the commissioner when deposited, such valuation to be determined in accordance with the applicable provisions of this code.

(2) If at any time the commissioner finds that the value of assets on deposit by an insurer is less than the amount required for the purpose for which the deposit was made, he shall by registered mail addressed to the insurer at its home office, notify the insurer of such deficiency and require that the deficiency be cured within thirty (30) days from the date of such mailing. The commissioner may suspend or revoke the certificate of authority of any insurer failing to cure any such deficiency within such thirty (30) days.

304.494 VOLUNTARY EXCESS DEPOSIT: An insurer may deposit and maintain on deposit assets in value exceeding the amount otherwise required under this code, for the purpose of absorbing fluctuations in value of its required deposit, and to facilitate exchange and substitution of assets in such required deposit. During the solvency of the insurer any such excess deposit or any part

thereof shall be released to the insurer upon its request. During the insolvency of the insurer such excess deposit shall be released only as provided in KRS 304.499.

304.495 DIVIDENDS, EXCHANGE: (1) While solvent and complying with this code an insurer shall be entitled

(a) to collect and receive interest, dividends, and payments accruing upon assets so held on deposit for its account, and

(b) from time to time to exchange and substitute for any of such assets, other assets eligible for deposit.

(2) If the insurer fails to cure a deficiency when required, is insolvent, is subject to delinquency proceedings, or is in default as to taxes or other charges due to this state under law, the commissioner shall collect such interest, dividends, and payments and add them to the insurer's deposit.

304.497 LEVY OF EXECUTION: (1) If a judgment has been recovered against an insurer having a deposit of assets under this code, upon a policy issued by such insurer, and an execution issued upon the judgment has been returned wholly or partly unsatisfied, any court of competent jurisdiction in this state shall, upon motion made by the plaintiff in the execution, and three days' notice to the insurer, order the commissioner and custodian to deliver into court an amount of the assets on deposit sufficient to satisfy the judgment in full, or so much thereof as such assets will suffice. Obeyance of such order shall release this state and the commissioner and custodian from all liability as to assets so delivered.

(2) Assets so delivered into court shall be collected or disposed of for the benefit of the plaintiff as provided by law in respect to notes or securities delivered into court by a garnishee.

(3) If after such withdrawal of assets the insurer's deposit is below the required amount, the insurer shall within ten (10) days after such withdrawal deposit with the custodian other eligible assets sufficient to remedy the deficiency. If the insurer fails so to do, the commissioner shall proceed against it as an insurer believed by him to be insolvent or in unsound condition.

304.499 RELEASE OF DEPOSIT: (1) Any such required deposit shall be released, in addition to circumstances already provided for, in these instances only:

(a) upon extinguishment of substantially all liabilities of the insurer for the security of which the deposit is held, by reinsurance contract or otherwise.

(b) if such deposit is no longer required under this code.

(c) if the deposit was made pursuant to the retaliatory provision, KRS 304.110, it shall be released in whole or in part when no longer so required.

(d) upon proper order of a court of competent jurisdiction the deposit shall be released to the receiver, conservator, rehabilitator, or liquidator of the insurer.

(2) No such release shall be made except on application to and written order of the commissioner made upon proof satisfactory to him of the existence of one of such grounds therefor. The custodian shall release the deposit upon such order of the commissioner. The commissioner shall not have any personal liability for any such release of any deposit or part thereof so ordered by him in good faith.

(3) All releases of deposits or any part thereof shall be made to the person then entitled thereto upon proof of right satisfactory to the commissioner.

304.501 ACCESS, REMOVAL: (1) Access shall not be had to the vaults wherein the assets are deposited, nor shall any such assets be removed therefrom, except upon the written order of at least two officers authorized for the purpose by the insurer's board of directors or other governing body, which order must have been approved by the commissioner.

(2) The vaults wherein assets are deposited shall be opened and assets deposited or removed only in the joint presence of the custodian and two representatives of the insurer authorized for the purpose by the insurer's board of directors or other governing body.

(3) Except, that the vaults may be opened and assets deposited or removed under the direction and upon the order of a court of competent jurisdiction, and in the presence of the custodian.

304.503 CUSTODIAL EXPENSE FUND: (1) Insurers maintaining deposit of assets in this state under this article shall pay in to the Treasury of the Commonwealth, through the office of the Commissioner of Insurance, fifty-four hundred dollars ($5400.00) each calendar year, as a custodial expense fund. Such fund shall be

used in paying the custodian's salary, the premium on his bond, and other necessary expenses incident to the office used by the custodian. The total gross annual expenses of the custodian's office shall not exceed such sum of fifty-four hundred dollars ($5400.00).

(2) The portion of such expense fund to be paid by each such insurer shall be in the same approximate proportion as the amount of the insurer's average deposit during the calendar year bears to the total such deposits of all insurers, as determined by the commissioner. Each such insurer shall pay its share of such expense fund in monthly or other periodic installments as directed by the commissioner.

304.504 RELEASE OF EXISTING DEPOSITS: Any part of any deposit of an insurer held by the custodian on the effective date of this code which is in amount in excess of the deposit required or permitted to be made by such insurer under this code, shall, upon the commissioner's written order, be released; except, that no deposit held on account of any registered life insurance policies heretofore issued by the insurer shall be released except in accordance with the conditions under which such deposit was made.

ARTICLE FOURTEEN
AGENTS, SOLICITORS, AND ADJUSTERS

304.510 DIVISION OF ARTICLE: (1) Part I of this article shall include KRS 304.511 to 304.560 inclusive, and shall relate only to agents other than life or title insurance agents, and to solicitors and adjusters, except as expressly otherwise provided.

(2) Part II of this article shall include KRS 304.564 to 304.574 inclusive, and shall relate only to life insurance agents, except as expressly otherwise provided.

PART I
AGENTS (OTHER THAN LIFE), SOLICITORS, AND ADJUSTERS

304.511 "AGENT" DEFINED: An "agent" is an individual appointed by an insurer to solicit applications for insurance or negotiate insurance on its behalf, and if authorized so to do, to effectuate and countersign insurance contracts.

304.512 SALARIED REPRESENTATIVES OF MUTUAL OR RECIPROCAL INSURERS: Salaried traveling representatives of a mutual or reciprocal insurer shall not be deemed to be agents of such insurer for the purposes of this article nor be required to be licensed; but such a representative shall not directly or indirectly place business in any other insurer without being regularly licensed as an agent as provided by this code. Executive officers of domestic mutual insurers whose compensation is entirely by salary shall not be deemed to be agents of such insurer for the purposes of this article nor be required to be licensed, although authorized by the insurer to negotiate, sign, and countersign insurance and underwriting commitments on its behalf.

304.513 "SOLICITOR" DEFINED: A "solicitor" is an individual appointed by an agent to solicit applications for insurance as a representative of such agent. An individual employed on salary only by an agent, and devoting full time to clerical work with incidental taking of insurance applications and receiving premiums in the office of the agent, is not deemed to be a solicitor if his compensation neither includes any commission on such business nor is related to the volume of such applications, insurances, or premiums.

304.514 SERVICE REPRESENTATIVES: Individuals employed on salary by an insurer or general agent and who work with and assist agents in soliciting, negotiating ,and effectuating insurance in such insurer or in the insurers represented by the general agent, are deemed to be service representatives and are not required to be licensed. No such service representative shall be licensed as agent.

304.515 "ADJUSTER" DEFINED: (1) An "adjuster" is any person who, for compensation as an independent contractor or as an employee of an independent contractor, or for fee or commission, investigates and negotiates settlement of claims arising under insurance contracts, on behalf solely of either the insurer or the insured. A licensed attorney-at-law who adjusts insurance losses from time to time incidental to the practice of his profession, or a salaried employee of an insurer or of a general agent, or a person who for limited periods adjusts losses of growing crops, is not deemed to be an "adjuster" for the purpose of this article.

(2) "Independent adjuster" means such an adjuster representing the interests of the insurer.

(3) "Public adjuster" means an adjuster employed by and representing solely the financial interests of the insured named in the policy.

304.516 LICENSE REQUIRED; FORMS: (1) No person shall in this state act as or hold himself out to be an agent, solicitor, or adjuster unless then licensed therefor by this state; except, that an individual employed by a licensed adjuster and undergoing education and training as an adjuster under the direction and supervision of such licensed adjuster, may for a period not exceeding twelve months act as an adjuster without having an adjuster's license if at the beginning of such twelve months period the name of such apprentice has been registered as such with the commissioner.

(2) No agent shall place any business with any insurer as to which he does not then hold an agent's license issued by the state, except as expressly provided in this article.

(3) The commissioner shall prescribe and furnish forms required in connection with application, issuance, or termination of licenses.

304.517 GENERAL QUALIFICATIONS FOR LICENSES: (1) No license shall be issued except to an individual. A firm or corporation shall not be licensed.

(2) For the protection of the people of this state the commissioner shall not issue, renew, or permit to exist, any license except in compliance with this article, nor to any individual found by him to be untrustworthy, or incompetent, or who has not established to the satisfaction of the commissioner that he is qualified therefor in accordance with this article.

304.518 CONTROLLED BUSINESS LIMIT: (1) The commissioner shall not grant an agent's or solicitors license to any person if the commissioner has reasonable cause to believe that:

(a) During either of the two (2) calendar years immediately preceding the request for renewal of any such license, the license has been used principally for the purpose of writing controlled business; or

(b) the circumstances of the applicant for such license are such as to cause the commissioner reasonably to believe that during the twelve-month period immediately following issuance or renewal

of the license, if so issued or renewed, the license will be used principally for the purpose of writing controlled business.

A license shall be deemed to be used principally for the purpose of writing controlled business if the aggregate net amount of commissions or other compensation received or to be received by the licensee or applicant on controlled business written or to be written during the period involved, exceeds the aggregate net amount of commissions or other compensation received or to be received by the licensee or applicant on insurance business, other than controlled business, written or to be written during the same period.

(2) "Controlled business" means insurance procured or to be procured by or through such applicant or licensee upon:

(a) His own life, person, property, or interests or those of his spouse or relatives by blood or marriage to the second degree;

(b) The life, person, property, casualty risks, surety risks, or title risks of his employer, or his firm, or of any officer or member of his employer or firm, other than members of mutual insurers, or any spouse of such employer, officer, or member;

(c) the property or interests of any corporation of which he has stock control, or of which the stock control is held by any combination of himself, his firm, his employer, controlling stockholders of his employer, and spouses; the property or interests of any subsidiary of any such corporation;

(d) the life, person, property, or interests of his ward, or his employees; or upon persons, property, or interests under his supervision or control as trustee, or as manager, or as administrator or executor of any estate.

304.519 APPLICATIONS FOR LICENSE: (1) Application for any such license shall be made to the commissioner by the applicant. The commissioner may require the application to be in the applicant's handwriting. As a part of or in connection with any such application the applicant shall furnish, under oath, information concerning his identity, personal history, experience, business record, purposes, and other pertinent facts, as the commissioner may reasonably require.

(2) Application for an agent's license shall be accompanied by a written statement duly executed by or on behalf of the insurer to be represented, stating:

(a) Appointment of applicant as insurer's agent subject to issuance of license applied for;

(b) what investigation the insurer has made of applicant's trustworthiness, responsibility, and qualifications, and its opinion thereof; and

(c) other information relative to applicant reasonably required by the commissioner.

(3) Application for a solicitor's license shall be accompanied by a written statement, executed by the agent by whom the applicant is to be appointed, stating:

(a) Appointment of the applicant as solicitor, subject to issuance of license applied for;

(b) what investigation the proposed principal has made of the applicant's trustworthiness and qualifications, and his opinion thereof;

(c) whether such employment will constitute the principal vocation of the applicant; and

(d) other information relative to the applicant or his proposed appointment reasonably required by the commissioner.

(4) This section shall apply as to applications for limited license as travel insurance agent only to such extent as the commissioner deems proper.

(5) Willful misrepresentation of any fact required to be disclosed in any such application or accompanying statement is a violation of this code.

304.520 NUMBER OF APPLICATIONS REQUIRED: (1) The filing of personal data as to an individual with one application for a license shall, subject to subsection (2) of this section, be sufficient regardless of the number of subsequent applications by or renewal of licenses of the same individual.

(2) The commissioner may, in connection with the renewal of any license or at any other time or times, require the filing of a new application and personal data therewith.

304.521 EXAMINATIONS FOR LICENSE: (1) Each applicant for license as agent, solicitor, or adjuster shall prior to the issuance of any such license, personally take and pass to the satisfaction of the commissioner an examination given by the commissioner as a test of his qualifications and competence; but this requirement shall not apply to:

(a) Applications as to limited licenses, as travel insurance agents only, under KRS 304.529.

(b) Applicants who at any time within the five-year period next preceding date of application have been licensed in this state under a license similar to the license applied for and who are deemed by the commissioner to be fully qualified and competent.

(c) Applicants for license as nonresident agent who have fulfilled qualification requirements in their state of residence and who are deemed by the commissioner to be fully qualified and competent.

(d) Applicants for an agent's or solicitor's license covering the same kinds of insurance as an agent's or solicitor's license then held by them.

(2) Applicants for the renewal of licenses in force on the effective date of this code or issued thereafter, and adjusters in business as such on such effective date, shall not be required to take an examination except as provided in subsection (3) of this section.

(3) The commissioner may at any time require any licensed agent, solicitor, or adjuster to take and successfully pass an examination testing his competence and qualifications as a condition to the continuance or renewal of his license, if the licensee has been guilty of violation of this code, or has so conducted his affairs under his license as to cause the commissioner reasonably to desire further evidence of his qualifications.

In any such event the commissioner shall give not less than thirty days notice of the requirement before the examination, and the licensee's license shall in any event remain in effect until the result of the examination has been determined by the commissioner.

(4) The commissioner shall give, conduct and grade all such examinations in a fair and impartial manner, and without unfair discrimination as between individuals examined.

(5) The commissioner may appoint an Advisory Board to make recommendations to him with respect to the scope, type, and conduct of written examinations under Part I of this article and the times and places in the state where they shall be held. The Advisory Board, if appointed, shall consist of qualified persons selected from among insurance company officers and employees, general agents and managers, and licensed insurance agents and adjusters on such basis as to provide fair representation as to the various types of insurers. The members of the Advisory Board shall serve without pay but, upon

the authorization of the commissioner, shall be reimbursed for their reasonable expenses in attending meetings of the Advisory Board.

304.522 SCOPE OF EXAMINATION: (1) Each such examination shall be as the commissioner prescribes and shall be of sufficient scope reasonably to test the applicant's knowledge relative to the kinds of insurance or subdivisions thereof to be dealt with under the license applied for, and of the duties and responsibilities of, and laws of this state applicable to, such a licensee.

(2) The commissioner shall prepare and make available to applicants a printed manual specifying the subject matter to be covered in any examination for a particular license.

(3) The commissioner shall from time to time by rule and regulation make reasonable groupings of the kind or kinds of insurance or subdivisions thereof that may be covered by examinations for particular licenses.

304.523 EXAMINATIONS—FORM, TIME, FEE: (1) The answers of the applicant to any such examination shall be written by the applicant under the commissioner's supervision, and any such written examination may be supplemented by oral examination at the commissioner's direction.

(2) Applicants shall be permitted to take such examinations on any business day at the principal office of the commissioner, and the commissioner shall give examinations at such other times and places within this state as he deems necessary reasonably to serve the convenience of both the commissioner and applicants.

(3) The commissioner may require a waiting period of reasonable duration before giving a new examination to an applicant who has failed to pass a previous similar examination.

(4) For each examination taken, the commissioner shall collect in advance the fee provided in KRS 304.460.

304.524 ISSUANCE OF LICENSE: The commissioner shall promptly issue licenses applied for to individuals qualified therefor in accordance with this article, and upon compliance with the requirements of this code.

304.525 AGENT'S QUALIFICATIONS: To qualify for an agent's license, an applicant must otherwise comply with this code therefor and must

(1) be twenty-one (21) years of age or over;

(2) if other than a disability agent, be a bona fide resident of and actually reside in this state, except as provided in KRS 304.549;

(3) successfully pass an examination as required under KRS 304.521;

(4) be a trustworthy person;

(5) not intend to use or use the license for the purpose principally of writing controlled business, as defined in KRS 304.518;

(6) if for an agent's license (other than a temporary license under KRS 304.557) be appointed as its agent by an authorized insurer, subject to issuance of the license.

304.526 FIRMS AND CORPORATIONS AS AGENTS: A partnership or corporation may hold agency contracts, but the members of the partnership and all officers, stockholders, or employees of the corporation who solicit, negotiate or effect contracts of insurance shall be required to qualify individually as agents in lieu of the partnership or corporation, and to be individually licensed as such agents.

304.527 APPOINTMENT OF AGENTS AND TERMINATION: (1) Each insurer upon appointing an agent in this state shall file written notice thereof with the commissioner. All such appointments shall be subject to issuance of a license to such agent.

(2) An insurer terminating the appointment of an agent shall promptly file written notice thereof with the commissioner together with proof that it has given or mailed like notice to the agent. Such notice filed with the commissioner may state the causes of such termination. Information so furnished the commissioner shall be privileged and shall not be used as evidence in any action against the insurer or any of its representatives.

304.528 NUMBER OF LICENSES REQUIRED AND MINIMUM SCOPE: (1) An agent shall be separately licensed as to each insurer represented.

(2) An agent's license shall cover, and the agent shall be qualified as to, the kind or kinds of insurance as specified in the license.

304.529 LIMITED LICENSE: (1) The commissioner may issue limited licenses as travel insurance agents to individuals selling transportation tickets of a common carrier of persons or property,

who shall act as such agents only as to travel ticket policies of disability insurance or baggage insurance on personal effects.

(2) The commissioner may issue a like limited license as to each individual who has charge of vending machines used in this state for the effectuation of such travel insurance.

(3) The commissioner may prescribe and furnish such special forms calling for such information as he deems proper in connection with the application for or renewal of such limited licenses.

304.530 COUNTERSIGNATURE IN BLANK PROHIBITED: An agent shall not sign or countersign in blank any policy to be issued outside of his office, nor countersign in blank any countersignature endorsement therefor.

304.534 SOLICITOR'S QUALIFICATIONS: The commissioner shall license as a solicitor an individual only who meets the following requirements:

(1) Is a resident of this state.

(2) Is twenty-one (21) years of age or over.

(3) Is to represent but one (1) licensed agent.

(4) Has passed any examination as required under this article.

(5) Is otherwise qualified under this code.

304.535 APPLICATION FOR SOLICITOR'S LICENSE: The commissioner shall issue a solicitor's license only upon application by the applicant and the request of the agent to be represented.

304.536 SOLICITOR'S LICENSE—CUSTODY, AND CANCELLATION: The solicitor's license shall be delivered to and shall remain in possession of the appointing agent. Upon termination of such appointment, the license shall likewise terminate and shall be returned to the commissioner for cancellation.

304.537 LIMITATIONS UPON SOLICITORS: (1) A solicitor's license shall not cover any kind of insurance for which the agent by whom he is appointed is not then licensed.

(2) A solicitor shall not have power to bind an insurer upon or with reference to any risk or insurance contract, or to countersign insurance contracts.

304.538 RESPONSIBILITY OF AGENT FOR SOLICITOR: All business transacted by a solicitor under his license shall be in the name of the agent by whom he is appointed, and the agent shall be

responsible for all acts of omission of the solicitor within the scope of such appointment.

304.540 NONRESIDENT AGENTS: (1) The commissioner shall license as agent an individual who is otherwise qualified therefor under this code but who is not a resident of this state, if by the laws of the state or province of his residence, residents of this state may be licensed in such state or province either as nonresident agent or nonresident broker.

(2) In addition to other qualifications therefor no such license shall be issued to any individual who has any direct or indirect pecuniary interest in any insurance agent, agency or solicitor licensed as a resident of this state. Nor shall such license be issued to any individual who does not hold an agent's or broker's license issued by the state or province of his residence.

304.541 LIMITATIONS UPON NONRESIDENT AGENTS: (1) Such a nonresident agent shall not directly or indirectly solicit insurance in this state, and may under his license place only insurance which has been directly procured from the insured outside of this state upon a subject of insurance owned by a nonresident or located outside this state.

(2) Such insurance upon subjects located in this state may be placed only through a resident agent in this state of an authorized insurer.

(3) A nonresident agent shall not countersign any policy or contract of insurance covering any subject located, resident, or to be performed in this state.

(4) This section shall not apply as to disability insurance.

304.542 PROCESS AGAINST NONRESIDENT AGENTS: (1) Each licensed nonresident agent shall appoint the commissioner as his attorney to receive service of legal process issued against the agent in this state upon causes of action arising within this state out of transactions under his license. Service upon the commissioner as attorney shall constitute effective legal service upon the agent.

(2) The appointment shall be irrevocable for as long as there could be any cause of action against the agent arising out of his insurance transactions in this state.

(3) Duplicate copies of such legal process against such agent shall be served upon the commissioner by a person competent to serve a summons.

(4) Upon receiving such service, the commissioner shall forthwith send one of the copies of the process, by registered mail with return receipt requested, to the defendant agent at his last address of record with the commissioner.

(5) The commissioner shall keep a record of the day and hour of service upon him of all such legal process.

304.545 QUALIFICATIONS FOR ADJUSTER'S LICENSE: The commissioner shall license as an adjuster only an individual who has otherwise complied with this code therefor and who has furnished evidence satisfactory to the commissioner that he is qualified as follows:

(1) Is twenty-one (21) or more years of age.

(2) Is a bona fide resident of this state, or is a resident of a state which will permit residents of this state to act as adjusters in such other state.

(3) Is a trustworthy person.

(4) Has had experience or special education or training with reference to the handling of loss claims under insurance contracts, of sufficient duration and extent reasonably to make him competent to fulfill the responsibility of an adjuster.

(5) Has successfully passed any examination as required under the article.

(6) If for a public adjuster's license, has filed the bond required by KRS 304.548.

304.546 SEPARATE LICENSES: The commissioner may license an individual as an independent adjuster or as a public adjuster, and separate licenses shall be required as to each class of adjuster. An individual may be concurrently licensed under separate licenses as an independent adjuster and as a public adjuster, but may not represent both the insurer and the insured in the same transaction.

304.547 AGENT MAY ADJUST; OUT-OF-STATE ADJUSTERS: (1) On behalf of and as authorized by an insurer for which he is licensed as agent, an agent may from time to time act as an adjuster and investigate and report upon claims without being required to be licensed as an adjuster.

(2) No license by this state shall be required of a non-resident independent adjuster, for the adjustment in this state of a single loss, or of losses arising out of a catastrophe common to all such losses.

304.548 PUBLIC ADJUSTER'S BOND: (1) Prior to the issuance of a license as a public adjuster, the applicant therefor shall file with the commissioner and shall thereafter maintain in force while so licensed a surety bond in favor of the people of the Commonwealth of Kentucky, executed by an authorized corporate surety approved by the commissioner, in the amount of five thousand dollars ($5,000). The bond may be continuous in form, and total aggregate liability on the bond may be limited to the payment of five thousand dollars ($5,000). The bond shall be contingent on the accounting by the adjuster to any insured whose claim he is handling, for moneys or any settlement received in connection therewith.

(2) Any such bond shall remain in force until the surety is released from liability by the commissioner, or until cancelled by the surety. Without prejudice to any liability accrued prior to cancellation, the surety may cancel a bond upon thirty (30) days advance notice in writing filed with the commissioner.

(3) The licensee may, in lieu of such bond, during the existence of such license maintain on deposit with the commissioner a like amount in cash or securities approved by the commissioner. Such deposit shall be held for the same purpose and upon the same conditions as such bond.

304.549 PLACE OF BUSINESS, RESIDENCE: (1) Every licensed adjuster or agent, other than an agent licensed for disability insurance only, shall have and maintain in this state, or, if a nonresident agent, in the state of his domicile, a place of business accessible to the public. Such place of business shall be that wherein the agent or adjuster principally conducts transactions under his license. The address of his place of business shall appear on the license of the licensee, and the licensee shall promptly notify the commissioner of any change thereof. Nothing herein shall be deemed to prohibit the maintenance of such a place of business in the licensee's place of residence in this state.

(2) In cities located partly within and partly without the state, requirements of this article as to residence and principal place of business shall be deemed met if the residence or place of business is located in any part of the city, and if the other state in which the city is located in part has established like requirements as to such residence and place of business.

304.550 DISPLAY OF LICENSE: (1) The license or licenses of each agent, other than licenses as to disability insurance only, and the license of each adjuster shall be displayed in a conspicuous place in that part of his place of business which is customarily open to the public.

(2) The license of a solicitor shall be so displayed in the place of business of the agent by whom he is appointed.

304.551 RECORD OF AGENTS, PUBLIC ADJUSTERS: (1) Every agent or public adjuster shall keep at his place of business as shown on his license, a record of or information as to all transactions consummated under his license. This record or information shall include:

(a) If an agent,

(i) a record of each insurance contract procured, issued, or counter-signed, together with the names of the insurers and insureds, the amount or basis of the premium or consideration paid or to be paid, and a statement of the subject of the insurance.

(ii) the names of any other licensees from whom business is accepted, and of persons to whom commissions or allowances of any kind are promised or paid.

(b) If a public adjuster, a record of each investigation or adjustment undertaken or consummated, and a statement of any fee, commission, or other compensation received or to be received by the adjuster on account of such investigation or adjustment.

(c) Such other and additional information as shall be customary, or as may reasonably be required by the commissioner.

(2) All such records as to any particular transaction shall be kept available and open to the inspection of the commissioner at any business time during the five (5) years immediately following the date of the completion of such transaction, unless a shorter period is allowed as to a particular class of records by rules promulgated by the commissioner.

(3) This section shall not apply as to industrial fire insurance or as to disability insurance.

304 552 COLLECTED PREMIUMS—FIDUCIARY CAPACITY: That portion of all premiums or monies which an agent or solicitor collects from an insured and which is to be paid to an insurer, its agents or his principal because of the assumption of liability through the issuance of policies or contracts for insurance, shall be

held by the agent or solicitor in a fiduciary capacity and shall not be misappropriated or converted to his own use or illegally withheld by the agent or solicitor.

304.554 EXCHANGE OF BUSINESS; DIVIDING COMMISSIONS: (1) An agent may place only a kind or kinds of business for which he is licensed with an insurer for which he is not a licensed agent, by placing such business through a licensed agent of such insurer. But an agent shall not solicit such lines of insurance, known by him to be unacceptable to insurers for which he is licensed, as do not come to him in the normal course of soliciting for acceptable lines.

(2) No licensee shall divide with others or share in any commission payable on account of insurance subject to this code except as follows:

(a) A resident agent may divide or share in commissions with other resident agents licensed to write the same kind or kinds of insurance.

(b) A resident agent and a nonresident agent may divide among them commissions as to kinds of insurance for which both are licensed upon subjects of insurance owned by nonresidents or located outside of this state.

(c) A resident agent and surplus line broker may divide commissions pursuant to KRS 304.590.

(3) No such licensee shall share a commission with any corporation unless such corporation is an insurance agency.

(4) In addition to other penalties provided therefor, the license of any licensee violating or participating in the violation of this section shall be revoked and shall not be restored for a period of at least one year.

304.556 EXPIRATION AND RENEWAL OF LICENSES: (1) Unless earlier revoked or terminated, licenses issued, renewed, or extended pursuant to this article shall expire annually at 12:01 A. M. on dates as follows:

(a) Agent's license as to all insurances other than life, shall expire on November 1st.

(b) Nonresident agent's license shall expire on August 1st.

(c) Solicitor's license shall expire on November 1st.

(d) Adjuster's license shall expire on November 1st.

(2) The commissioner may renew or extend any license for another license period to individuals qualified therefor, upon payment of the license fee and written request or application for such license, in such manner and on such forms as the commissioner reasonably requires, as follows:

(a) Agent's license, upon request of the insurer to be so represented.

(b) Nonresident agent's license, upon request of licensee.

(c) Solicitor's license, upon request of agent to be represented.

(d) Adjuster's license, upon request of the licensee.

(3) If request and fee for renewal or extension of license is filed with the commissioner prior to expiration of the existing license, the licensee may continue to act under such license, unless sooner revoked, suspended, or terminated, until the issuance of renewal lilense or until the expiration of five (5) days after the commissioner has refused to renew or extend the license and has mailed notice of such refusal to the licensee. Any request for renewal or extension not so filed until after date of expiration may be considered by the commissioner as an application for a new license.

304.557 TEMPORARY LICENSES: (1) The commissioner may issue a temporary agent's license in the following circumstances:

(a) To the surviving spouse or next of kin or to the individual who is the administrator or executor of a licensed agent becoming deceased.

(b) To the spouse, next of kin, employee, or individual who is the legal guardian of a licensed agent disabled because of sickness, insanity, or injury.

(c) To an applicant for a license, other than as a disability insurance agent, pending the examination therefor.

(d) To any agent appointed by an insurer issuing policies on the industrial plan, if such agent actually collects and services an industrial debit. The insurer and agent may assume that such license will be issued, effective as of the date of application, and may continue on such debit until notified to the contrary by the commissioner.

(2) An individual to be eligible for any such temporary license must be qualified as for a regular agent's license except as to experience, training, or the taking of any examination.

(3) A temporary license shall expire 90 days after date of issuance, or upon failure to pass any examination pending which such

temporary license was issued, whichever date shall first occur. The commissioner may, upon good cause shown, extend such license for an additional period not exceeding 90 days. Not more than one temporary license shall be issued to the same individual during the same twelve month period commencing with issuance of the license.

(4) Only one temporary license shall be required as to all insurers represented by such agent as at date of issuance of temporary license, and such agent may not be licensed as to additional insurers during the existence of such temporary license.

(5) The amount of any license fee paid for such a temporary license shall be credited upon any license fee required for a permanent license which replaces such temporary license prior to the expiration of such temporary license.

304.558 DENIAL, SUSPENSION, REVOCATION OF LICENSES: (1) The commissioner may suspend, revoke, or refuse to renew any license issued under this article or any surplus line broker's license for any cause specified in any other provision of this code, or for any of the following causes:

(a) For any cause for which issuance of the license could have been refused had it then existed and been known to the commissioner.

(b) Violation of any provision of this code.

(c) Violation of any law relating to the business of insurance in the course of dealings under the license.

(d) Material misstatement, misrepresentation or fraud in obtaining the license, or failure to pass any examination required under this article.

(e) Misappropriation, conversion, or unlawful withholding of moneys belonging to insurers or others and received in conduct of business under the license.

(f) Willful misrepresentation of any insurance policy or willful deception with regard to an insurance policy.

(g) For "twisting" or rebating, all as defined in article twenty-eight.

(h) Conviction of a felony involving moral turpitude.

(i) Willful over-insurance of any property insurance risk.

(j) Fraudulent or dishonest practices in the conduct of business under the license.

(k) If in conduct of affairs under the license, the licensee has demonstrated incompetence or untrustworthiness, or is found by the commissioner to be a source of injury or loss to the public.

(l) Willful failure to comply with, or willful violation of, any proper order, rule or regulation of the commissioner.

(m) Failure or refusal, upon demand, to pay over to any insurer he represents or has represented any money coming into his hands belonging to the insurer.

(2) Upon conviction of any violation of this code the court may, in addition to any other penalty prescribed by law, revoke or suspend any license issued under Part I of this article, or any surplus line broker's license, which may then be in effect.

304.559 PROCEDURE FOR SUSPENSION OR REVOCATION OF LICENSE: (1) The commissioner shall refuse to renew or shall revoke any such license immediately and without hearing, upon conviction of the licensee, by any court of competent jurisdiction, of a felony involving moral turpitude or of a violation of this code.

(2) The commissioner may otherwise refuse to renew, may suspend or revoke any such license, for violation of law relating to insurance or other cause specified in this code, after a hearing upon not less than ten days' written notice of the hearing and charges given to the licensee by registered mail addressed to his last address of record with the commissioner. In the case of agents' licenses, the commissioner shall give like notice in like manner to the insurer as to whom the license was issued, mailed to the insurer's principal place of business. In the case of solicitors' licenses the commissioner shall give such notice to the agent as to whom the solicitor is licensed.

304.560 SURRENDER OF LICENSE: Any licensee whose license has been suspended, terminated, or revoked, or any person having possession thereof, shall forthwith return such license to the commissioner.

PART II

LIFE INSURANCE AGENTS

304.564 "LIFE INSURANCE AGENT" DEFINED: (1) The term "life insurance agent" means any authorized or acknowledged agent of an insurer, and any sub-agent of such agent, who acts as

such in the solicitation of, negotiation for, or procurement or making of a life insurance or annuity contract; except that the term "life insurance agent" shall not include any regular salaried officer or employee of an insurer, or of a licensed life insurance agent, who does not solicit or accept from the public applications for any such contract. A regular salaried officer or employee of an insurer shall not be deemed to be a "life insurance agent" by reason of rendering assistance to, or on behalf of a licensed life insurance agent, if such officer or employee devotes substantially all of his time to activities other than the solicitation of applications for life insurance or annuity contracts and receives no commission or other compensation directly dependent upon the amount of business obtained.

(2) The term "sub-agent" means any person (except as provided in subsection (1)) who acts for or on behalf of a licensed life insurance agent in the solicitation of, negotiation for, or procurement or making of a life insurance or annuity contract. Each sub-agent shall be deemed to be a life insurance agent, as defined above, and wherever, in succeeding sections of this article, the term "life insurance agent" is used, it shall include sub-agents, whether or not they are specifically mentioned. Each such person shall individually file an application for license and submit to a written examination as hereafter provided for applicants for a life insurance agent's license.

304.565 ACTING AS AGENT WITHOUT LICENSE PROHIBITED; NO COMMISSIONS TO BE PAID TO UNLICENSED PERSONS: (1) No person shall act as a life insurance agent within this state until he has procured a license as required by this article.

(2) No insurer or licensed life insurance agent doing business in this state, shall pay directly or indirectly any commission, or other valuable consideration to any person for services as a life insurance agent within this state, unless such person holds a currently valid license to act as a life insurance agent as required by this code; nor shall any person, other than a duly licensed life insurance agent, accept any such commission or other valuable consideration. This section shall not prevent the payment or receipt of renewal or other deferred commissions to or by any person solely because such person has ceased to hold a license to act as a life insurance agent.

304.566 APPLICATION FOR LICENSE: (1) Each applicant for a license to act as a life insurance agent within this state shall file with the commissioner his written application on forms furnished by the commissioner. The application shall be signed and duly sworn to by the applicant. The commissioner may require the application to be in the handwriting of the applicant. The prescribed form shall require the applicant to state his full name; residence; age; occupation and place of business for five years preceding date of the application; whether applicant has ever held a license to solicit life, or any other insurance in any state; whether he has been refused, or has had suspended or revoked a license to solicit life, or any other insurance in any state; what insurance experience, if any, he has had; what instruction in life insurance and in the insurance laws of this state he has had or expects to have; whether any insurer or general agent claims applicant is indebted under an agency contract or otherwise, and if so, the name of the claimant, the nature of the claim and the applicant's defense thereto; whether applicant has had an agency contract canceled and, if so, when, by what insurer or general agent and the reasons therefor; whether applicant will devote all or part of his efforts to acting as a life insurance agent, and, if part only, how much time he will devote to such work, and in what other business or businesses he is engaged or employed; whether, if applicant is a married woman, her husband has ever applied for or held a license to solicit life, or any other insurance in any state and whether such license has been refused, suspended or revoked; such other information as the commissioner in his discretion may require.

(2) The application shall be accompanied by a certificate on forms furnished by the commissioner and signed by an officer or properly authorized representative of the insurer stating that the insurer has investigated the character and background of the applicant and is satisfied that he is trustworthy and qualified to act as its agent and to hold himself out in good faith to the general public as a life insurance agent and that the insurer desires that the applicant be licensed as a life insurance agent to represent it in this state.

(3) The application, when filed, shall be accompanied, in the case of applicants required to take an examination as hereafter prescribed, by an examination fee in the amount of three dollars ($3). In the event an applicant fails to qualify for, or is refused a license,

the annual fee shall be returned to him; the examination fee shall not be returned for any reason.

304.567 EXAMINATION OF APPLICANT FOR LICENSE: (1) Each applicant for a license to act as a life insurance agent within the state shall submit to a personal written examination to determine his competence with respect to life insurance and annuity contracts and his familiarity with the pertinent provisions of the laws of this state, and shall pass the same to the satisfaction of the commissioner; except that no such written examination shall be required of:

(a) An applicant for a renewal license, unless the commissioner determines that such examination is necessary to establish the competency of such individual, and in which case the commissioner shall give not less than thirty days notice of the requirement before the examination, and the licensee's license shall in any event remain in effect until the result of the examination has been determined by the commissioner; or unless a license had not been issued to such applicant within two years preceding the date of filing his application;

(b) In the discretion of the commissioner, an applicant whose license to do business or act as a life insurance agent in this state was suspended less than one year prior to the date of application.

(2) The commissioner shall establish rules and regulations with respect to the scope, type and conduct of such written examinations and the times and places within this state where they shall be held. Applicants shall be permitted to take such examinations on any business day at the principal office of the commissioner.

(3) No person who shall have taken and failed to pass two examinations given pursuant to this section shall be entitled to take any further examination until after the expiration of six months from the date of the last examination in which he failed. If such person shall thereafter fail to pass two more such examinations he shall not be eligible to take any further examination until after the expiration of one year from the date of his last unsuccessful examination. An examination fee shall be paid for each and every examination.

(4) The commissioner may appoint an Advisory Board to make recommendations to him with respect to the scope, type, and conduct of written examinations and the times and places in the

state where they shall be held. This Advisory Board, if appointed, shall consist of individuals experienced in the life insurance business, and may include life insurance company officers and employees, general agents and managers, and licensed life insurance agents. The members of the Advisory Board shall serve without pay but, upon the authorization of the commissioner, shall be reimbursed for their reasonable expenses in attending meetings of the Advisory Board.

304.568 ISSUANCE OR REFUSAL OF LICENSE: (1) If the commissioner is satisfied that the applicant is trustworthy and competent and the applicant, if required, has passed his written examination, a license shall be issued forthwith, limited to the insurer and kind of insurance for which the agent is to be appointed. If the applicant has not passed his written examination, or for any of the reasons set forth in KRS 304.574, the commissioner shall notify the applicant and the insurer in writing that a license will not be issued to him.

(2) In any case where a license is applied for to transact both life and disability insurance as agent of an insurer authorized in this state to transact both life and disability insurance, the commissioner shall issue a single license authorizing the applicant to represent the insurer with respect to both types of business, if the applicant, in addition to qualifying under this part, has satisfied the commissioner that he is competent to represent such insurer with respect to disability insurance.

304.569 NON-RESIDENTS MAY BE LICENSED: (1) A nonresident of this state may be licensed as a life insurance agent upon compliance with the provisions of this article, as apply to residents, if such person in good faith intends to transact and does transact in this state substantially all of his business as a life insurance agent.

(2) Nonresidents of this state other than those referred to in subsection (1) of this section, may be licensed as life insurance agents in this state without taking an examination if:

(a) A written examination is required of applicants for a life insurance agent's license in such other state;

(b) the appropriate official of such other state certifies that the applicant holds a currently valid license as a life insurance agent in such other state and either passed such written examination

or was the holder of a life insurance agent's license prior to the time such written examination was required;

(c) the applicant has no place of business within this state for the transaction of business as a life insurance agent.

(d) in such other state, a resident of this state is privileged to procure a life insurance agent's license upon the foregoing conditions and without discrimination as to fees or otherwise in favor of the residents of such other state.

304.570 AGENT MAY BE LICENSED TO REPRESENT ADDITIONAL LIFE INSURERS: (1) Any life insurance agent licensed in this state may apply to the commissioner, at any time while his license is in force, for an additional license or licenses authorizing him to act as a life insurance agent for an additional insurer or insurers. Such application shall set forth each insurer which the applicant is then licensed to represent; a certificate from the insurer to be named in each additional license applied for that it desires to appoint the applicant as its agent; and such other information as the commissioner may require. Upon receipt of each such application, the commissioner may issue such additional license without examination of, or further investigation concerning the applicant. Any life insurer may file a request with the commissioner for notification that any life agent authorized to represent it has been appointed to represent another life insurer. Pursuant to such request for notice the commissioner shall notify such insurer of the appointment of life agents as life agents for other insurers.

(2) A life insurance agent licensed in this state may place excess or rejected risks in any other life insurer authorized to transact such insurance in this state, with the knowledge and approval of the insurer as to which the agent is so licensed, without being required to have an additional or separate license.

304.571 EXPIRATION AND RENEWAL OF AGENT'S LICENSE: (1) Each license issued to a life insurance agent shall expire on March 1st following the date of issue, unless prior thereto it is revoked or suspended by the commissioner or the authority of the agent to act for the insurer is terminated.

(2) In the absence of a contrary ruling by the commissioner, license renewals may be issued from year to year upon request of the insurer, without further action on the part of the agent.

(3) Upon the filing of a request for renewal of license and payment of the required fees prior to its date of expiration, the current license shall continue in force until the renewal license is issued by the commissioner or until the commissioner has refused for cause to issue such renewal license, as provided in KRS 304.574, and has given notice of such refusal in writing to the insurer and the agent.

304.572 TEMPORARY LICENSE: (1) The commissioner, if he is satisfied with the honesty and trustworthiness of the applicant, may issue a temporary life insurance agent's license without requiring the applicant to pass a written examination, as follows:

(a) To the executor or administrator of the estate of a deceased person who at the time of his death was a licensed life insurance agent;

(b) To a surviving next of kin of such a deceased person, if no administrator or executor has been appointed and qualified, but any license issued under this subsection shall be revoked upon issuance of a license to an executor or administrator under subsection (1) above;

(c) To any agent appointed by an insurer issuing policies on the industrial plan, if such agent actually collects and services an industrial debit. The insurer and agent may assume that such license will be issued, effective as of the date of application, and may continue on such debit until notified to the contrary by the commissioner.

(2) No license issued under this section shall be effective for more than ninety days. The commissioner, in his discretion, may renew such license once upon proper application and for good cause.

(3) The amount of any license fee paid for such a temporary license shall be credited upon any license fee required for a permanent license which replaces the temporary license prior to the expiration of such temporary license.

304.573 INSURER TO NOTIFY COMMISSIONER OF TERMINATION OF CONTRACT; COMMUNICATIONS PRIVILEGED: (1) Every insurer shall, upon termination of the appointment of any life insurance agent, immediately file with the commissioner a statement of the facts relative to the termination of the appointment and the date and cause thereof. The commissioner shall thereupon terminate the license of such agent to represent such insurer in this state.

(2) Any information, document, record or statement required to be made or disclosed to the commissioner pursuant to this section shall be deemed a privileged communication and shall not be used as evidence in any court action or proceeding.

304.574 REFUSAL, SUSPENSION, OR REVOCATION OF LICENSE: (1) A license may be refused, or a license duly issued may be suspended or revoked or the renewal thereof refused by the commissioner if, after notice and hearing as hereafter provided, he finds that the applicant for, or holder of such license:

(a) Has willfully violated any provision of this code; or

(b) has intentionally made a material misstatement in the application for such license; or

(c) has obtained, or attempted to obtain, such license by fraud or misrepresentation; or

(d) has misappropriated or converted to his own use or illegally withheld money belonging to an insurer or an insured or beneficiary; or

(e) has otherwise demonstrated lack of trustworthiness or competence to act as a life insurance agent; or

(f) has been guilty of fraudulent or dishonest practices; or

(g) has materially misrepresented the terms and conditions of life insurance policies or contracts; or

(h) has engaged in "twisting" as defined in article twenty-eight; or

(i) has obtained, or attempted to obtain such license, not for the purpose of holding himself out to the general public as a life insurance agent, but primarily for the purpose of writing "controlled business" as defined in KRS 304.518.

(2) The procedure for refusal, suspension, or revocation of license shall be as provided in KRS 304.559.

(3) No licensee whose license has been revoked hereunder shall be entitled to file another application for a license as a life insurance agent within one year from the effective date of such revocation or, if judicial review of such revocation is sought, within one year from the date of final court order or decree affirming such revocation. Such application, when filed, may be refused by the commissioner unless the applicant shows good cause why the revocation of his license shall not be deemed a bar to the issuance of a new license.

ARTICLE FIFTEEN

UNAUTHORIZED INSURERS

304.580 REPRESENTATION PROHIBITED: (1) Except as expressly provided in this article, no person shall in any manner:

(a) Represent or assist any insurer not then duly authorized to transact insurance in this state, in the procuring, placing, or maintenance of any insurance coverage upon or with relation to any subject of insurance resident, located, or to be performed in this state.

(b) Represent or assist any person in the procuring of insurance in such an unauthorized insurer upon or with relation to any such subject of insurance.

(c) Inspect or examine any risk or investigate or adjust any loss, or collect or receive any premium, on behalf of any such insurer or person.

(2) This section shall not apply as to reinsurance placed or procured in accordance with KRS 304.354, or to surplus line insurance lawfully procured pursuant to this article, or to any transaction with respect to insurance coverage delivered in a state where the insurer was legally qualified to transact insurance, or delivered in this state at a time when such insurer was duly authorized to transact insurance in this state.

304.581 ADVERTISING PROHIBITED: (1) No publication published in this state, or radio or television broadcaster, or any other agency or means for the dissemination of information operated or located in this state, shall publish, broadcast, or otherwise disseminate within this state advertising for or on behalf of any insurer not then authorized to transact insurance in this state.

(2) This section shall not apply as to publications published in this state principally for circulation in other states, wherein advertising by or in behalf of such unauthorized insurers is not expressly directed toward residents or subjects of insurance in this state.

304.582 VALIDITY OF CONTRACTS ILLEGALLY EFFECTUATED: An insurance contract effectuated by an unauthorized insurer in violation of this code shall be voidable except at the instance of the insurer.

304.583 PROCESS AGAINST UNAUTHORIZED INSURERS: (1) Delivery, effectuation, or solicitation of any insurance contract,

by mail or otherwise, within this state by an unauthorized insurer, or the performance within this state of any other service or transaction connected with such insurance by or on behalf of such insurer, shall be deemed to constitute an appointment by such insurer of the commissioner as its attorney, upon whom may be served all lawful process issued within this state in any action or proceeding against such insurer arising out of any such contract or transaction.

(2) All such process shall be served as provided by, and otherwise be subject to the provisions of KRS 304.095. In addition to such service upon the commissioner, notice of such service and a copy of such process within ten (10) days thereafter shall be sent by plaintiff's attorney to defendant insurer at its last known principal place of business by registered mail. Defendant insurer's receipt, or registry receipt as to such mailing issued by the post office where mailed, and the affidavit of the plaintiff's attorney showing compliance with this subsection, shall be filed in the court wherein such action is pending on or before the date the defendant insurer is required to appear, or within such further time as the court may allow. No judgment by default against such insurer may be taken under this section prior to expiration of thirty (30) days after date of filing of such affidavit of compliance. Service of process upon such an insurer in accordance with this section shall be as valid and effective as if served upon a defendant personally present in this state.

(3) Means provided in this section for service of process upon such an insurer shall not be deemed to prevent service of process upon such insurer by any other lawful means.

(4) An insurer which has been served with process as provided in this section, shall, subject to KRS 304.584, have the right to appear in and defend such action and employ attorneys and other persons in this state to assist in its defense thereto or settlement thereof.

(5) This section shall not apply as to surplus line insurance lawfully procured from unauthorized insurers as provided in this article.

304.584 DEFENSE OF ACTION BY UNAUTHORIZED INSURER: (1) Before any unauthorized foreign or alien insurer shall file or cause to be filed any pleading in any action, suit or proceeding instituted against it, under KRS 304.583, such unauthorized insurer shall either (a) deposit with the clerk of the court in which

such action, suit or proceeding is pending cash or securities or file with such clerk a bond with good and sufficient sureties, to be approved by the court, in an amount to be fixed by the court sufficient to secure the payment of any final judgment which may be rendered in such action; or (b) procure a certificate of authority to transact the business of insurance in this state.

(2) The court in any action, suit, or proceeding, in which service is made in the manner provided in KRS 304.583, may, in its discretion, order such postponement as may be necessary to afford the defendant reasonable opportunity to comply with the provisions of subsection (1) of this section and to defend such action.

(3) Nothing in subsection (1) of this section is to be construed to prevent an unauthorized foreign or alien insurer from filing a motion to quash a writ or to set aside service thereof made in the manner provided in KRS 304.583 on the ground that such unauthorized insurer has not done any of the acts enumerated in such subsection.

(4) In any action against an unauthorized foreign or alien insurer upon a contract of insurance issued or delivered in this state to a resident thereof or to a corporation authorized to do business therein, if the insurer has failed for thirty days after demand prior to the commencement of the action to make payment in accordance with the terms of the contract, and it appears to the court that such refusal was vexatious and without reasonable cause, the court may allow to the plaintiff a reasonable attorney fee and include such fee in any judgment that may be rendered in such action. Such fee shall not exceed twelve and one-half percent of the amount which the court or jury find the plaintiff is entitled to recover against the insurer, but in no event shall such fee be less than twenty-five dollars. Failure of an insurer to defend any such action shall be deemed prima facie evidence that its failure to make payment was vexatious and without reasonable cause.

(5) This section shall not apply as to any insurance policy or contract lawfully issued by an unauthorized insurer as a surplus line coverage pursuant to the provisions of this article.

304.585 DOMESTIC INSURER'S UNAUTHORIZED OPERATION PROHIBITED: (1) No domestic insurer shall knowingly solicit or effectuate insurance in any reciprocating state in which it is not then licensed as an authorized insurer.

(2) This section shall not prohibit advertising through publications, radio, or television broadcasts, or other means of dissemination originating outside such reciprocating state, if the insurer is licensed in a substantial number of the states in which such advertising is disseminated, and if such advertising is not expressly directed toward residents or subjects of insurance in such reciprocating state. This limitation shall not apply as to trade publications or directories.

(3) This section shall not prohibit insurance, covering subjects resident or located in a reciprocating state, under contracts solicited and effectuated in states in which the insurer was then licensed. Nor shall it prohibit insurance lawfully effectuated by the insurer as an unauthorized insurer in accordance with the laws of the reciprocating state.

(4) This section shall not prohibit the solicitation by mail of additional or other insurance coverages from existing policyholders of an insurer by such insurer if such solicitation is part of a general mailing to all the insurer's policyholders or to a class thereof not distinguished by residence in states wherein the insurer is not authorized to transact insurance.

(5) A "reciprocating" state, as used herein, is one under the laws of which a similar prohibition is imposed upon and is enforced against insurers domiciled in that state.

(6) The commissioner shall suspend or revoke the certificate of authority of a domestic insurer found by him, after a hearing, to have violated this section.

304.586 "SURPLUS LINE" INSURANCE: (1) Any portion or all of an insurance coverage which cannot be procured from authorized insurers, hereinafter designated as "surplus line", may be procured from unauthorized insurers if:

(a) Procured through a licensed surplus line broker; and

(b) insurance as to the subject of insurance cannot be procured from authorized insurers or has been procured to the full extent such insurers are willing to insure; and

(c) insurance in an unauthorized insurer is not sought or required in order to secure advantages either as to premium rate or terms of the insurance contract.

(2) At the time any such surplus line insurance is procured the surplus line broker shall execute an affidavit setting forth facts from which it may be determined whether the requirements of sub-

section (1) of this section have been met. The broker shall file such affidavit with the commissioner within thirty (30) days after such insurance is procured.

304.587 ENDORSEMENT OF CONTRACT: Every insurance contract procured as a surplus line coverage pursuant to this article shall have stamped upon it and be initialed by or bear the name of the surplus line broker who procured it, the following:

"This contract is registered and delivered as a surplus line coverage under the insurance code of the Commonwealth of Kentucky."

304.588 SURPLUS LINE INSURANCE VALID: Insurance contracts procured as surplus line coverage from unauthorized insurers in accordance with this article shall be fully valid and enforceable as to all parties, and shall be given recognition in all matters and respects to the same effect as like contracts issued by authorized insurers.

304.589 LICENSING OF SURPLUS LINE BROKERS: Any individual resident in this state who is deemed by the commissioner to be competent and trustworthy and while maintaining an office at a designated location in this state may be licensed as a surplus line broker, as follows:

(1) Application to the commissioner for the license shall be on forms furnished by the commissioner.

(2) The license fee shall be twenty-five dollars ($25.00) for each license year during any part of which the license is in force. The license year shall be from the date of issuance of the license.

(3) Before issuance of license the applicant shall file with the commissioner and thereafter for as long as the license remains in effect he shall keep in force a bond in favor of the Commonwealth in the penal sum of two thousand dollars ($2,000), with authorized corporate sureties approved by the commissioner, conditioned that he will conduct business under the license in accordance with the provisions of this article and that he will promptly remit the taxes provided by KRS 304.593. No such bond shall be terminated unless not less than thirty (30) days prior written notice thereof is filed with the commissioner.

304.590 MAY ACCEPT BUSINESS FROM AGENTS; COMMISSIONS: (1) A licensed surplus line broker may accept and place surplus line business for any insurance agent licensed in this state

for the kind of insurance involved, and may compensate such agent therefor.

(2) The broker shall have the right to receive from the insurer the customary commission upon insurance placed through the broker in the insurer.

304.591 SOLVENT INSURERS REQUIRED: The broker shall ascertain the financial condition of the unauthorized insurer before placing insurance therewith, and shall not knowingly place surplus line insurance with insurers unsound financially. The broker shall not so insure with any insurer having surplus as to policyholders amounting to less than two hundred thousand dollars ($200,000).

304.592 RECORDS OF BROKER: Each such broker shall keep in his office in this state a full and true record of each surplus line contract procured by him or cancelled, including a copy of the daily report, if any. The record shall show such of the following items as may be applicable:

(1) Amount of the insurance;

(2) gross premiums charged;

(3) return premium paid, if any;

(4) rate of premium charged upon the several items of property;

(5) effective date of the contract, and the terms thereof;

(6) name and address of the insurer;

(7) name and address of the insured;

(8) brief general description of subject insured and where located;

(9) other information as may be required by the commissioner. The record shall be so kept for a period of at least five (5) years and at any time be open to examination by the commissioner.

304.593 BROKER'S ANNUAL REPORT AND TAX:

(1) Each such broker shall file with the commissioner, in July of each year, a sworn statement of the gross premiums paid for insurance procured and the gross premiums returned on insurance cancelled under his license during the year ending on the thirtieth day of June last preceding, all exclusive of sums collected to cover federal or state taxes or collected or returned in connection with insurance exempted under KRS 304.597. The statement shall include such other information as the commissioner reasonably requires.

(2) At the time of filing such statement, the broker shall pay to the State Treasurer, through the commissioner, a sum equal to four per cent (4%) of such gross premiums less applicable return premiums.

(3) If a surplus line policy covers risks or exposures only partially in this state the tax so payable shall be computed upon the proportion of the premium which is properly allocable to the risks or exposures located in this state.

304.595 REVOCATION OF LICENSE: (1) The commissioner shall revoke any surplus line broker's license:

(a) If the broker fails to file his annual statement or to remit the tax as required by this article; or

(b) if the broker fails to maintain an office in this state, or to keep the records, or to allow the commissioner to examine his records as required by this article; or

(c) for any of the causes for which an agent's license may be revoked.

(2) The commissioner may suspend or revoke any or all such licenses whenever he deems suspension or revocation to be for the best interests of the people of this state.

(3) The procedures provided by this code for the suspension or revocation of agents' licenses shall be applicable to suspension or revocation of a surplus line broker's license.

(4) No broker whose license has been so revoked or suspended shall again be so licensed within one (1) year thereafter, nor until any fines or delinquent taxes owing by him under this code have been paid.

304.596 LEGAL PROCESS AGAINST SURPLUS LINE INSURER: (1) An unauthorized insurer shall be sued, upon any cause of action arising in this state under any contract issued by it as a surplus line contract pursuant to this article, in a court of competent jurisdiction in the county in which the cause of action arose.

(2) Legal process against the insurer in such action shall be served upon the commissioner. Such process shall set forth the name and address of the person designated in the policy pursuant to subsection (3) of this section. The commissioner shall forthwith mail the process so served to the person designated by the insurer in the policy for the purpose, by registered mail with return receipt requested. Upon service of process upon the commissioner and the

commissioner mailing such process to the insurer's designee, the court shall be deemed to have jurisdiction *in personam* of the insurer.

(3) An unauthorized insurer issuing such policy shall be deemed thereby to have authorized service or process against it in the manner and to the effect as provided in this section. Any such policy shall contain a provision stating the substance of this section, and designating the person to whom the commissioner shall mail process as provided in subsection (2) of this section.

304.597 EXEMPTIONS: (1) The provisions of this article controlling the placing of insurance with unauthorized insurers shall not apply to reinsurance or to title insurance; nor to the following insurance when so placed by licensed agents of this state:

(a) Insurance on subjects located, resident, or to be performed wholly outside of this state, or on vehicles or aircraft owned and principally garaged outside this state.

(b) Insurance on operations of railroads engaged in transportation in interstate commerce and their property used in such operations.

The record shall be preserved for not less than five (5) years from the effective date of the insurance and shall be kept available in this state and open to the commissioner's examination. The agent shall furnish to the commissioner at his request a report of all such coverages so placed in a designated calendar year.

304.598 RECORDS OF INSUREDS: Every person for whom insurance has been placed with an unauthorized insurer pursuant to or in violation of this article shall, upon the commissioner's order, produce for his examination all policies and other documents evidencing the insurance, and shall disclose to the commissioner the amount of the gross premiums paid or agreed to be paid for the insurance. For each refusal to obey such order, such person shall be liable to a fine or not more than five hundred dollars ($500.00).

(2) Agents so placing any such insurance with an unauthorized insurer shall keep a full and true record of each such coverage in detail as required of surplus line insurance under this article.

ARTICLE SIXTEEN

RATES

304.600 PURPOSE: The purpose of the provisions of this article is to promote the public welfare by regulating insurance rates

to the end that they shall not be excessive, inadequate or unfairly discriminatory, and to authorize and regulate cooperative action among insurers in rate making and in other matters within the scope of this article. Nothing in this article is intended to prohibit or discourage reasonable competition, or to prohibit, or encourage, except to the extent necessary to accomplish the purpose stated, uniformity in insurance rates, rating systems, rating plans or practices. The provisions of this article shall be liberally interpreted to carry into effect the provisions of this section; and shall apply to all insurers as defined in KRS 304.003 unless specifically exempted by this article.

PART I

RATES OF FIRE AND MARINE INSURERS

304.601 KINDS OF INSURANCE AND INSURERS TO WHICH PART I SHALL APPLY: COVERAGE BY OTHER LAWS; DESIGNATION AS TO WHICH LAW TO APPLY: (1) KRS 304.601 to 304.618, inclusive, shall constitute Part I of this article (hereinafter in this article referred to as Part I) and shall apply to all those kinds, types or forms of property insurance known as fire, marine, inland marine insurance and allied lines, on risks located in this state. Inland marine insurance shall be deemed to include insurance now or hereafter defined by statute, or by interpretation thereof, or if not so defined or interpreted, by ruling of the commissioner, or as established by general custom of the business as inland marine insurance.

(2) Part I shall not apply:

(a) To reinsurance, other than joint reinsurance to the extent stated in KRS 304.610;

(b) To insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine insurance policies;

(c) To insurance of hulls of aircraft, including accessories and equipment, and insurance against liability for damage to property or injury to persons arising out of the ownership, maintenance or use of aircraft;

(d) To motor vehicle insurance nor to insurance against liability arising out of the ownership, maintenance or use of motor vehicles.

(3) The provisions of Part I shall not apply to assessment or cooperative companies operating under the provisions of KRS Chapter 299.

(4) The provisions of Part I shall not apply to domestic mutual fire insurers operating in this state only, and organized by special acts of the legislature.

(5) If any kind of insurance, subdivision or combination thereof, or type of coverage subject to Part I is also subject to regulation under Part II of this article an insurer to which both Parts are otherwise applicable shall file with the commissioner a designation as to which Part shall be applicable to it with respect to such kind of insurance, subdivision or combination thereof, or type of coverage.

304.602 MAKING AND USE OF RATES; PROVISIONS AND CONSIDERATIONS GOVERNING; UNIFORMITY NOT REQUIRED:

(1) Rates shall be made in accordance with the following provisions:

(a) Manual, minimum, class rates, rating schedules or rating plans, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated.

(b) Rates shall not be excessive, inadequate or unfairly discriminatory.

(c) Due consideration shall be given to past and prospective loss experience within and outside this state, to the conflagration and catastrophe hazards, to a reasonable margin for underwriting profit and contingencies, to dividends, savings and unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers, to past and prospective expenses both country-wide and those specially applicable to this state, and to all other relevant factors within and outside this state; and in the case of fire insurance rates consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent five-year period for which such experience is available.

(2) Except to the extent necessary to meet the provisions of paragraph (b) of subsection (1) of this section, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

(3) Rates made in accordance with this section may be used subject to the provisions of Part I.

304.603 FILING OF RATE PLANS, MANUALS OR SCHEDULES; SUPPORTING INFORMATION; FILING THROUGH RATING ORGANIZATION; REVIEW OF FILINGS; WAITING PERIODS; WHEN FILINGS EFFECTIVE; SPECIAL FILINGS; PERMISSION FOR EXCESS RATE; POLICIES MUST CONFORM TO FILED RATES: (1) Every insurer shall file with the commissioner, except as to inland marine risks which by general custom of the business are not written according to manual rates or rating plans, every manual, minimum, class rate, rating schedule or rating plan and every other rating rule, and every modification of any of the foregoing which it proposes to use. Every such filing shall state the proposed effective date theerof and shall indicate the character and extent of the coverage contemplated. When a filing is not accompanied by the information upon which the insurer supports such filing and the commissioner does not have sufficient information to determine whether such filing meets the requirements of Part I, he shall require such insurer to furnish the information upon which it supports such filing and in such event the waiting period shall commence as of the date such information is furnished. The information furnished in support of a filing may include (1) the experience or judgment of the insurer or rating organization making the filing, (2) its interpretation of any statistical data it relies upon, (3) the experience of other insurers or rating organizations, or (4) any other relevant factors. A filing and any supporting information shall be open to public inspection after the filing becomes effective. Specific inland marine rates on risks specially rated made by a rating organization, shall be filed with the commissioner.

(2) An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings, and by authorizing the commissioner to accept such filings on its behalf; provided, that nothing contained in Part I shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization.

(3) The commissioner shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the requirements of Part I.

(4) Subject to the exception specified in subsection (5) of this section, each filing shall be on file for a waiting period of fifteen days before it becomes effective, which period may be extended by the

commissioner for an additional period not to exceed fifteen days if he gives written notice within such waiting period to the insurer or rating organization which made the filing that he needs such additional time for the consideration of such filing. Upon written application by such insurer or rating organization, the commissioner may authorize a filing which he has reviewed to become effective before the expiration of the waiting period or any extension thereof. A filing shall be deemed to meet the requirements of Part I unless disapproved by the commissioner within the waiting period or any extension thereof.

(5) Specific inland marine rates on risks specially rated by a rating organization shall become effective when filed and shall be deemed to meet the requirements of Part I until such time as the commissioner reviews the filing and so long thereafter as the filing remains in effect.

(6) Under such rules and regulations as he shall adopt the commissioner may, by written order, suspend or modify the requirement of filing as to any kind of insurance, subdivision or combination thereof, or as to classes of risks, the rates for which cannot practicably be filed before they are used. Such orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The commissioner may make such examination as he may deem advisable to ascertain whether any rates affected by such order meet the standards set forth in paragraph (b) of subsection (1) of KRS 304.602.

(7) Upon the written application of the insured, stating his reasons therefor, filed with and approved by the commissioner, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

(8) No insurer shall make or issue a contract or policy except in accordance with filings which are in effect for said insurer as provided in Part I or in accordance with subsections (6) and (7) of this section. This subsection shall not apply to contracts or policies for inland marine risks as to which filings are not required.

304.604 DISAPPROVAL OF FILINGS; HEARINGS; APPLICATION BY PERSON AGGRIEVED BY FILINGS: (1) If within the waiting period or any extension thereof as provided in subsection (4) of KRS 304.603, the commissioner finds that a filing does not meet the requirements of Part I, he shall send to the insurer or

rating organization which made such filing, written notice of disapproval of such filing specifying therein in what respect he finds such filing fails to meet the requirements of Part I and stating that such filing shall not become effective.

(2) If within thirty days after a specific inland marine rate on a risk specially rated by a rating organization, subject to subsection (5) of KRS 304.603 has become effective, the commissioner finds that such filing does not meet the requirements of Part I, he shall send to the insurer or rating organization which made such filing, written notice of disapproval of such filing specifying therein in what respects he finds such filing fails to meet the requirements of Part I and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Said disapproval shall not affect any contract made or issued prior to the expiration of the period set forth in said notice.

(3) If at any time subsequent to the applicable review period provided for in subsection (1) or (2) of this section, the commissioner finds that a filing does not meet the requirements of Part I, he shall, after a hearing held upon not less than ten days' written notice, specifying the matters to be considered at such hearing, to every insurer and rating organization which made such filing, issue an order specifying in what respects he finds that such filing fails to meet the requirements of Part I, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(4) Any person or organization aggrieved with respect to any filing which is in effect may make written application to the commissioner for a hearing thereon, provided, however, that the insurer or rating organization that made the filing shall not be authorized to proceed under this subsection. Such application shall specify the grounds to be relied upon by the applicant. If the commissioner shall find that the application is made in good faith, that the applicant would be so aggrieved if his grounds are established, and that such grounds otherwise justify holding such a hearing, he shall, within thirty days after receipt of such application, hold a hearing upon not less than ten days' written notice to the applicant and to every insurer and rating organization which made such filing. If, after such

hearing, the commissioner finds that the filing does not meet the requirements of Part I he shall issue an order specifying in what respects he finds that such filing fails to meet the requirements of Part I, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to the applicant and to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(5) No manual, minimum, class rate, rating schedule, rating plan, rating rule or any modification of any of the foregoing which has been filed pursuant to the requirements of KRS 304.603 shall be disapproved if the rates thereby produced meet the requirements of Part I.

304.605 RATING ORGANIZATIONS; LICENSING; FEE; SUSPENSION OR REVOCATION OF LICENSE; ADMISSION OF SUBSCRIBERS AND FURNISHING OF SERVICES; RULES; CO-OPERATION BETWEEN ORGANIZATIONS: (1) A corporation, an unincorporated association, a partnership or an individual, whether located within or outside this state, may make application to the commissioner for license as a rating organization for such kinds of insurance, or subdivision or class of risk or a part or combination thereof as are specified in its application and shall file therewith (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its bylaws, rules and regulations governing the conduct of its business, (2) a list of its members and subscribers, (3) the name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such rating organization may be served and (4) a statement of its qualifications as a rating organization. If the commissioner finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization and that its constitution, articles of agreement or association or certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business conform to the requirements of law, he shall issue a license specifying the kinds of insurance, or subdivision or class of risk or part or combination thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the commissioner within sixty days of the date of its filing with him. Licenses issued pursuant to this

section shall remain in effect for three years unless sooner suspended or revoked by the commissioner. The fee for said license shall be twenty-five dollars. Licenses issued pursuant to this section may be suspended or revoked by the commissioner, after hearing upon notice, in the event the rating organization ceases to meet the requirements of this subsection. Every rating organization shall notify the commissioner promptly of every change in (1) its constitution, its articles of agreement or association, or its certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business, (2) its list of members and subscribers and (3) the name and address of the resident of this state designated by it upon whom notices or orders of the commissioner or process affecting such rating organization may be served.

(2) Subject to rules and regulations which have been approved by the commissioner as reasonable, each rating organization shall permit any insurer, not a member, to be a subscriber to its rating services for any kind of insurance, subdivision, or class of risk or a part or combination thereof for which it is authorized to act as a rating organization. Notice of proposed changes in such rules and regulations shall be given to subscribers. Each rating organization shall furnish its rating services without discrimination to its members and subscribers. The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the commissioner at a hearing held upon at least ten days' written notice to such rating organization and to such subscriber or insurer. If the commissioner finds that such rule or regulation is unreasonable in its application to subscribers, he shall order that such rule or regulation shall not be applicable to subscribers. If the rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the commissioner as if the application had been rejected. If the commissioner finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he shall order the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified he shall make an order affirming its action.

(3) No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends,

savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers.

(4) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of Part I is hereby authorized, provided the filings resulting from such cooperation are subject to all the provisions of Part I which are applicable to filings generally. The commissioner may review such cooperative activities and practices and if, after a hearing, he finds that any such activity or practice is unfair and unreasonable or otherwise inconsistent with the provisions of Part I, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of Part I, and requiring the discontinuance of such activity or practice.

(5) Any rating organization may provide for the examination of policies, daily reports, binders, renewal certificates, endorsements or other evidences of insurance, or the cancellation thereof, and may make reasonable rules governing their submission. Such rules shall contain a provision that in the event any insurer does not within sixty days furnish satisfactory evidence to the rating organization of the correction of any error or omission previously called to its attention by the rating organization, it shall be the duty of the rating organization to notify the commissioner thereof. All information so submitted for examination shall be confidential.

(6) Any rating organization may subscribe for or purchase actuarial, technical or other services, and such services shall be available to all members and subscribers without discrimination.

304.606 ADHERENCE TO FILINGS MADE BY RATING ORGANIZATIONS; DEVIATIONS: Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except that any such insurer may make written application to the commissioner for permission to file a deviation from the class rates, schedules, rating plans or rules respecting any kind of insurance, or class of risk within a kind of insurance, or combination thereof. Such application shall specify the basis for the modification and a copy thereof shall also be sent simultaneously to such rating organization. The commissioner shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than ten days' written notice thereof. In the event the commissioner is advised by the

rating organization that it does not desire a hearing he may, upon the consent of the applicant, waive such hearing. In considering the application for permission to file such deviation the commissioner shall give consideration to the available statistics and the principles for rate making as provided in KRS 304.602. The commissioner shall issue an order permitting the deviation for such insurer to be filed if he finds it to be justified and it shall thereupon become effective. He shall issue an order denying such application if he finds that the resulting premiums would be excessive, inadequate or unfairly discriminatory. Each deviation permitted to be filed shall be effective for a period of one year from the date of such permission unless terminated sooner with the approval of the commissioner.

304.607 APPEAL FROM ACTION OR DECISION OF RATING ORGANIZATION: Any member of or subscriber to a rating organization may appeal to the commissioner from the action or decision of such rating organization in approving or rejecting any proposed change in or addition to the filings of such rating organization and the commissioner shall, after a hearing held upon not less than ten days' written notice to the appellant and to such rating organization, issue an order approving the action or decision of such rating organization or directing it to give further consideration to such proposal, or, if such appeal is from the action or decision of the rating organization in rejecting a proposed addition to its filings, he may, in the event he finds that such action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings, on behalf of its members and subscribers, in a manner consistent with his findings, within a reasonable time after the issuance of such order.

304.608 FURNISHING OF INFORMATION AS TO RATES TO INSURED; REQUEST FOR REVIEW; APPEAL; HEARING: Every rating organization and every insurer which makes its own rates shall, within a reasonable time after receiving written request therefor and upon payment of such reasonable charge as it may make, furnish to any insured affected by a rate made by it, or to the authorized representative of such insured, all pertinent information as to such rate. Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative,

on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him. If the rating organization or insurer fails to grant or reject such request within thirty days after it was made, the applicant may proceed in the same manner as if his application had been rejected. Any party affected by the action of such rating organization or such insurer on such request may, within thirty days after written notice of such action, appeal to the commissioner, who, after a hearing held upon not less than ten days' written notice to the appellant and to such rating organization or insurer, may affirm or reverse such action.

304.609 ADVISORY ORGANIZATIONS; REGULATION OF: (1) Every group, association or other organization of insurers, whether located within or outside this state, which assists insurers which make their own filings or rating organizations in rate making, by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but which does not make filings under Part I, shall be known as an advisory organization.

(2) Every advisory organization shall file with the commissioner (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation and of its bylaws, rules and regulations governing its activities, (2) a list of its members, (3) the name and address of a resident of this state upon whom notices or orders of the commissioner or process issued at his direction may be served, and (4) an agreement that the commissioner may examine such advisory organization in accordance with the provisions of KRS 304.611.

(3) If, after a hearing, the commissioner finds that the furnishing of such information or assistance involves any act or practice which is unfair or unreasonable or otherwise inconsistent with the provisions of Part I, he may issue a written order specifying in what respects such act or practice is unfair or unreasonable or otherwise inconsistent with the provisions of Part I, and requiring the discontinuance of such act or practice.

(4) No insurer which makes its own filings nor any rating organization shall support its filings by statistics or adopt rate making recommendations, furnished to it by an advisory organization which has not complied with this section or with an order of the commissioner involving such statistics or recommendations issued; under

subsection (3) of this section. If the commissioner finds such insurer or rating organization to be in violation of this subsection he may issue an order requiring the discontinuance of such violation.

304.610 JOINT UNDERWRITING OR JOINT REINSURANCE ORGANIZATIONS; REGULATION OF: (1) Every group, association or other organization of insurers which engage in joint underwriting or joint reinsurance, shall be subject to regulation with respect thereto as herein provided, subject, however, with respect to joint underwriting, to all other provisions of Part I and, with respect to joint reinsurance, to KRS 304.611, 304.614, 304.616, 304.018, 304.932, and 304.050.

(2) If, after a hearing the commissioner finds that any activity or practice of any such group, association or other organization is unfair or unreasonable or otherwise inconsistent with the provisions of Part I, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of Part I and requiring the discontinuance of such activity or practice.

304.611 EXAMINATION, BY COMMISSIONER, OF RATING ORGANIZATIONS, ADVISORY ORGANIZATIONS AND JOINT UNDERWRITING OR JOINT REINSURANCE ORGANIZATIONS; REPORT OF EXAMINATION; PUBLIC INSPECTION: The commissioner shall, at least once in five years, make or cause to be made an examination of each rating organization licensed in this state as provided in KRS 304.605 and he may, as often as he may deem it expedient, make or cause to be made an examination of each advisory organization referred to in KRS 304.609 and of each group, association or other organization referred to in KRS 304.610. The reasonable costs of any such examination shall be paid by the rating organization, advisory organization or group, association or other organization examined upon presentation to it of a detailed account of such costs. The officers, manager, agents and employees of such rating organization, advisory organization, or group, association or other organization, may be examined at any time under oath and shall exhibit all books, records, accounts, documents, or agreements governing its method of operation. The commissioner shall furnish two copies of the examination report to the organization, group or association examined and shall notify such organization, group, or association that it may, within twenty days

thereafter, request a hearing on said report or on any facts or recommendations therein. Before filing any such report for public inspection, the commissioner shall grant a hearing to the organization, group or association examined. The report of any such examination, when filed for public inspection, shall be admissible in evidence in any action or proceeding brought by the commissioner against the organization, group or association examined, or its officers or agents, and shall be prima facie evidence of the facts stated therein. The commissioner may withhold the report of any such examination from public inspection for such time as he may deem proper. In lieu of any such examination the commissioner may accept the report of an examination made by the insurance supervisory official of another state, pursuant to the laws of such state.

304.612 RULES AND PLANS FOR RECORDING AND REPORTING OF LOSS AND EXPENSE EXPERIENCE; INTERCHANGE OF RATING PLAN DATA; CONSULTATION WITH OTHER STATES: (1) The commissioner shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with him, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid him in determining whether the rating systems comply with the standards set forth in KRS 304.602. Such rules and plans may also provide for the recording and reporting of expense experience items which are specially applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience. In promulgating such rules and plans, the commissioner shall give due consideration to the rating systems on file with him and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system filed by it. The commissioner may designate one or more rating organizations or other agencies to assist him in gathering such experience and making compilations thereof, and such compilations shall be made

available, subject to reasonable rules promulgated by the commissioner, to insurers and rating organizations.

(2) Reasonable rules and plans may be promulgated by the commissioner for the interchange of data necessary for the application of rating plans.

(3) In order to further uniform administration of rate regulatory law, the commissioner and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations in other states and may consult with them with respect to rate making and the application of rating systems.

304.614 HEARINGS BEFORE COMMISSIONER, PROCEDURE ON; DECISIONS: (1) Any insurer or rating organization aggrieved by any order or decision of the commissioner made without a hearing, may, within thirty days after notice of the order to the insurer or organization, make written request to the commissioner for a hearing thereon. The commissioner shall hear such party or parties within twenty days after receipt of such request and shall give not less than ten days' written notice of the time and place of the hearing. Within fifteen days after such hearing the commissioner shall affirm, reverse or modify his previous action, specifying his reasons therefor. Pending such hearing and decision thereon the commissioner may suspend or postpone the effective date of his previous action.

(2) Nothing contained in Part I shall require the observance at any hearing of formal rules of pleading or evidence.

304.616 SUSPENSION OF LICENSE OF RATING ORGANIZATION OR INSURER: The commissioner may suspend the license of any rating organization or insurer which fails to comply with an order of the commissioner within the time limited by such order, or any extension thereof which the commissioner may grant. The commissioner shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal therefrom has expired or if an appeal has been taken, until such order has been affirmed. The commissioner may determine when a suspension of license shall become effective and it shall remain in effect for the period fixed by him, unless he modifies or rescinds such suspension, or until the order upon which such suspension is based is modified, rescinded or reversed. No li-

cense shall be suspended or revoked except upon a written order of the commissioner, stating his findings, made after a hearing held upon not less than ten days' written notice to such person or organization specifying the alleged violation.

304.617 WITHHOLDING INFORMATION OR GIVING FALSE INFORMATION; PENALTIES: No person or organization shall willfully withhold information from or knowingly give false or misleading information to, the commissioner, any statistical agency designated by the commissioner, any rating organization, or any insurer, which will affect the rates or premiums chargeable under Part I. A violation of this section shall subject the one guilty of such violation to the penalties provided in KRS 304.616 and 304.990.

PART II

RATES OF CASUALTY AND SURETY INSURERS

304.625 KINDS OF INSURANCE AND INSURERS TO WHICH PART II APPLY; COVERAGE BY OTHER LAWS; DESIGNATION AS TO WHICH LAW TO APPLY: (1) KRS 304.625 to 304.644 inclusive shall constitute Part II of this article (hereinafter in this article referred to as Part II) and shall apply to all kinds, types or forms of casualty insurance as defined in KRS 304.348 and surety insurance as defined in KRS 304.350, and on all other kinds, types or forms of motor vehicle insurance, all workmen's compensation and employers' liability insurance, on risks or operations in this state, except (a) disability insurance, (b) title insurance, (c) insurance against loss of or damage to, or against liability, other than workmen's compensation and employers' liability, arising out of the ownership, maintenance or use of, any aircraft ,and (d) reinsurance by one or more insurers of all or part of another insurer's primary insurance risks, other than joint reinsurance to the extent stated in KRS 304.637. Part II shall not apply to assessment or cooperative companies organized or operating under KRS Chapter 299.

(2) If any kind of insurance, subdivision or combination thereof, or type of coverage subject to Part II is also subject to regulation under Part I of this article, an insurer to which both Parts are otherwise applicable shall file with the commissioner a designation as to which Part shall be applicable to it with respect to such

kind of insurance, subdivision or combination thereof, or type of coverage.

304.626 MAKING OF RATES; PROVISIONS AND CONSIDERATIONS GOVERNING; UNIFORMITY NOT REQUIRED: (1) All rates shall be made in accordance with the following provisions:

(a) Due consideration shall be given to past and prospective loss experience within and outside this state, to catastrophe hazards, if any, to a reasonable margin for underwriting profit and contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers, to past and prospective expenses both countrywide and those specially applicable to this state, and to all other relevant factors within and outside this state;

(b) The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or groups of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable;

(c) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any difference among risks that can be demonstrated to have a probable effect upon losses or expenses;

(d) Rates shall not be excessive, inadequate or unfairly discriminatory.

(2) Except to the extent necessary to meet the provisions of paragraph (d) of subsection (1) of this section, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

304.627 FILING OF RATE MANUALS AND PLANS; SUPPORTING INFORMATION; FILING THROUGH RATING ORGANIZATION; REVIEW OF FILINGS; WAITING PERIODS; WHEN FILINGS EFFECTIVE; SPECIAL FILINGS; PERMISSION FOR EXCESS RATE; POLICIES MUST CONFORM TO FILED RATES: (1) Every insurer shall file with the commissioner

every manual of classifications, every manual of rules and rates, every rating plan and every modification of any of the foregoing which it proposes to use. Every such filing shall state the proposed effective date thereof and shall indicate the character and extent of the coverage contemplated. When a filing is not accompanied by the information upon which the insurer supports such filing and the commissioner does not have sufficient information to determine whether such filing meets the requirements of Part II, he shall require such insurer to furnish the information upon which it supports such filing and in such event the waiting period shall commence as of the date such information is furnished. The information furnished in support of the filing may include (1) the experience or judgment of the insurer or rating organization making the filing, (2) its interpretation of any statistical data it relies upon, (3) the experience of other insurers or rating organizations, or (4) any other relevant factors. A filing and any supporting information shall be open to public inspection after the filing becomes effective.

(2) An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to a licensed rating organization which makes such filings, and by authorizing the commissioner to accept such filings on its behalf; provided, that nothing contained in Part II shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization.

(3) The commissioner shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the requirements of Part II.

(4) Subject to the exception specified in subsection (5) of this section, each filing shall be on file for a waiting period of fifteen days before it becomes effective, which period may be extended by the commissioner for an additional period not to exceed fifteen days if he gives written notice within such waiting period to the insurer or rating organization which made the filing that he needs such additional time for the consideration of such filing. Upon written application by such insurer or rating organization, the commissioner may authorize a filing which he has reviewed to become effective before the expiration of the waiting period or any extension thereof. A filing shall be deemed to meet the requirements of Part II unless disapproved by the Commissioner within the waiting period or any extension thereof.

(5) Any special filing with respect to a surety or guaranty bond required by law or by court or executive order or by order, rule or regulation of a public body, not covered by a previous filing, shall become effective when filed and shall be deemed to meet the requirements of Part II until such time as the commissioner reviews the filing and so long thereafter as the filing remains in effect.

(6) Under such rules and regulations as he shall adopt the commissioner may, by written order, suspend or modify the requirement of filing as to any kind of insurance, subdivision or combination thereof, or as to classes or risks, the rates for which cannot practically be filed before they are used, or not customarily made by rating organizations. Such orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The commissioner may make such examination as he may deem advisable to ascertain whether any rates affected by such order meet the standards set forth in paragraph (d) of subsection (1) of KRS 304.626.

(7) Upon written application of the insured stating his reasons therefor, filed with and approved by the commissioner, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

(8) No insurer shall make or issue a contract or policy except in accordance with filings which are in effect for said insurer as provided in Part II or in accordance with subsections (6) and (7) of this section.

304.628 DISAPPROVAL OF FILINGS; HEARINGS; APPLICATION BY PERSONS AGGRIEVED BY FILING: (1) If within the waiting period or any extension thereof as provided in subsection (4) of KRS 304.627, the commissioner finds that a filing does not meet the requirements of Part II, he shall send to the insurer or rating organization which made such filing written notice of disapproval of such filing specifying therein in what respects he finds such filing fails to meet the requirements of Part II and stating that such filing shall not become effective.

(2) If within thirty days after a special surety or guaranty filing subject to subsection (5) of KRS 304.627 has become effective, the commissioner finds that such filing does not meet the requirements of Part II, he shall send to the insurer or rating organization which made such filing written notice of disapproval

of such filing specifying therein in what respects he finds that such filing fails to meet the requirements of Part II and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Said disapproval shall not affect any contract made or issued prior to the expiration of the period set forth in said notice.

(3) If at any time subsequent to the applicable review period provided for in subsection (1) and (2) of this section, the commissioner finds that a filing does not meet the requirements of Part II, he shall, after a hearing held upon not less than ten days' written notice, specifying the matters to be considered at such hearing, to every insurer and rating organization which made such filing, issue an order specifying in what respects he finds that such filing fails to meet the requirements of Part II, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(4) Any person or organization aggrieved with respect to any filing which is in effect may make written application to the commissioner for a hearing thereon, provided, however, that the insurer or rating organization that made the filing shall not be authorized to proceed under this subsection. Such application shall specify the grounds to be relied upon by the applicant. If the commissioner shall find that the application is made in good faith, that the applicant would be so aggrieved if his grounds are established, and that such grounds otherwise justify holding such a hearing, he shall, within thirty days after receipt of such application, hold a hearing upon not less than ten days' written notice to the applicant and to every insurer and rating organization which made such filing. If after such hearing, the commissioner finds that the filing does not meet the requirements of Part II, he shall issue an order specifying in what respects he finds that such filing fails to meet the requirements of Part II, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to the applicant and to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(5) No manual of classifications, rules, rating plan or any modification of any of the foregoing which establishes standards for measuring variations in hazards or expense provisions, or both, and which has been filed pursuant to the requirements of KRS 304.627, shall be disapproved if the rates thereby produced meet the requirements of Part II.

304.630 RATING ORGANIZATIONS; LICENSING OF; FEE; SUSPENSION OR REVOCATION OF LICENSE; ADMISSION OF SUBSCRIBERS AND FURNISHING OF SERVICES; RULES; COOPERATION BETWEEN ORGANIZATIONS: (1) A corporation, an unincorporated association ,a partnership or an individual, whether located within or outside this state, may make application to the commissioner for license as a rating organization for such kinds of insurance or subdivisions thereof as are specified in its application and shall file therewith (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its bylaws, rules and regulations governing the conduct of its business, (2) a list of its members and subscribers, (3) the name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such rating organization may be served and (4) a statement of its qualifications as a rating organization. If the commissioner finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization and that its constitution, articles of agreement or association or certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business conform to the requirements of law, he shall issue a license specifying the kinds of insurance or subdivision thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the commissioner within sixty days of the date of its filing with him. Licenses issued pursuant to this section shall remain in effect for three years unless sooner suspended or revoked by the commissioner. The fee for the license shall be twenty-five dollars. Licenses issued pursuant to this section may be suspended or revoked by the commissioner, after hearing upon notice, in the event the rating organization ceases to meet the requirements of this subsection. Every rating organization shall notify the commissioner promptly of every change in (1) its constitution, its articles of agreement or

association or its certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business, (2) its list of members and subscribers and (3) the name and address of the resident of this state designated by it upon whom notices or orders of the commissioner or process affecting such rating organization may be served.

(2) Subject to rules and regulations which have been approved by the commissioner as reasonable, each rating organization shall permit any insurer, not a member, to be a subscriber to its rating services for any kind of insurance or subdivision thereof for which it is authorized to act as a rating organization. Notice of proposed changes in such rules and regulations shall be given to subscribers. The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the commissioner, at a hearing held upon at least ten days' written notice to such rating organization and to such subscriber or insurer. If the commissioner finds that such rule or regulation is unreasonable in its application to subscribers, he shall order that such rule or regulation shall not be applicable to subscribers. If the rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the commissioner as if the application had been rejected. If the commissioner finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he shall order the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified, he shall make an order affirming its action.

(3) No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium deposits allowed or returned by the insurers to their policyholders, members or subscribers.

(4) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of Part II is hereby authorized, provided the filings resulting from such cooperation are subject to all the provisions of Part II which are applicable to filings generally. The commissioner may review such cooperative activities and practices and if, after a hearing, he finds that any such activity or practice is unfair or

unreasonable or otherwise inconsistent with the provisions of Part II, he may issue a written order specifying in what respect such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of Part II, and requiring the discontinuance of such activity or practice.

304.631 ADHERENCE TO FILINGS MADE BY RATING ORGANIZATIONS; DEVIATIONS: Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except that any such insurer may make written application to the commissioner for permission to file a uniform percentage decrease or increase to be applied to the premiums produced by the rating system so filed for a kind of insurance, or for a class of insurance which is found by the commissioner to be a proper rating unit for the application of such uniform percentage decrease or increase, or for a subdivision of a kind of insurance (1) comprised of a group of manual classifications which is treated as a separate unit for rate making purposes, or (2) for which separate expense provisions are included in the filings of the rating organization. Such application shall specify the basis for the modification and shall be accompanied by the data upon which the applicant relies. A copy of the application and data shall be sent simultaneously to such rating organization. The commissioner shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than ten days' written notice thereof. In the event the commissioner is advised by the rating organization that it does not desire a hearing he may, upon the consent of the applicant, waive such hearing. The commissioner shall issue an order permitting the modification for such insurer to be filed if he finds it to be justified and it shall thereupon become effective. He shall issue an order denying such application if he finds that the modification is not justified or that the resulting premiums would be excessive, inadequate or unfairly discriminatory. Each deviation permitted to be filed shall be effective for a period of one year from the date of such permission unless terminated sooner with the approval of the commissioner.

304.633 APPEAL FROM ACTION OR DECISION OF RATING ORGANIZATION: (1) Any member of or subscriber to a rating organization may appeal to the commissioner from the action or decision of such rating organization in approving or re-

jecting any proposed change in or addition to the filings of such rating organization and the commissioner shall, after a hearing held upon not less than ten days' notice to the appellant and to such rating organization, issue an order approving the action or decision of such rating organization or directing it to give further consideration to such proposal, or, if such appeal is from the action or decision of the rating organization in rejecting a proposed addition to its filings, he may, in the event he finds that such action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings, on behalf of its members and subscribers, in a manner consistent with his findings, within a reasonable time after the issuance of such order.

(2) If such appeal is based upon the failure of the rating organization to make a filing on behalf of such member or subscriber which is based on a system of expense provisions, which differs, in accordance with the right granted in paragraph (b) of subsection (1) of KRS 304.626, from the system of expense provisions included in a filing made by the rating organization, the commissioner shall, if he grants the appeal, order the rating organization to make the requested filing for use by the appellant. In deciding such appeal the commissioner shall apply the standards set forth in KRS 304.626.

304.634 FURNISHING OF INFORMATION AS TO RATES TO INSURED; REQUEST FOR REVIEW; APPEAL; HEARING: (1) Every rating organization and every insurer which makes its own rates shall, within a reasonable time after receiving written request therefor and upon payment of such reasonable charge as it may make, furnish to any insured affected by a rate made by it, or to the authorized representative of such insured, all pertinent information as to such rate.

(2) Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative, on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him. If the rating organization or insurer fails to grant or reject such request within thirty days after it is made, the applicant may proceed in the same manner as if his application had been rejected. Any party affected by the action of such rating organization or such

insurer on such request may, within thirty days after written notice of such action, appeal to the commissioner, who, after a hearing held upon not less than ten days' written notice to the appellant and to such rating organization or insurer, may affirm or reverse such action.

304.636 ADVISORY ORGANIZATIONS; REGULATION OF: (1) Every group, association or other organization of insurers, whether located within or outside this state, which assists insurers which make their own filings or rating organizations in rate making, by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but which does not make filings under Part II, shall be known as an advisory organization.

(2) Every advisory organization shall file with the commissioner (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation and of its bylaws, rules and regulations governing its activities, (2) a list of its members, (3) the name and address of a resident of this state upon whom notices or orders of the commissioner or process issued at his direction may be served, and (4) an agreement that the commissioner may examine such advisory organization in accordance with the provisions of KRS 304.638.

(3) If, after a hearing, the commissioner finds that the furnishing of such information or assistance involves any act or practice which is unfair or unreasonable or otherwise inconsistent with the provisions of Part II, he may issue a written order specifying in what respects such act or practice is unfair or unreasonable or otherwise inconsistent with the provisions of Part II, and requiring the discontinuance of such act or practice.

(4) No insurer which makes its own filings nor any rating organization shall support its filings by statistics or adopt rate making recommendations, furnished to it by an advisory organization which has not complied with this section or with an order of the commissioner involving such statistics or recommendations issued under subsection (3) of this section. If the commissioner finds such insurer or rating organization to be in violation of this subsection he may issue an order requiring the discontinuance of such violation.

304.637 JOINT UNDERWRITING OR JOINT REINSURANCE ORGANIZATIONS; REGULATION OF: (1) Every group,

association or other organization of insurers which engages in joint underwriting or joint reinsurance, shall be subject to regulation with respect thereto as herein provided, subject, however with respect to joint underwriting, to all other provisions of Part II, and, with respect to joint reinsurance, to KRS 304.638, 304.642 and 304.643.

(2) If, after a hearing the commissioner finds that any activity or practice of any such group, association or other organization is unfair or unreasonable or otherwise inconsistent with the provisions of Part II, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of Part II, and requiring the discontinuance of such activity or practice.

304.638 EXAMINATION, BY COMMISSIONER, OF RATING ORGANIZATIONS, ADVISORY ORGANIZATIONS, AND JOINT UNDERWRITING OR JOINT REINSURANCE ORGANIZATIONS; REPORT OF EXAMINATION; PUBLIC INSPECTION: The commissioner shall, at least once in five years, make or cause to be made an examination of each rating organization licensed in this state as provided in KRS 304.630, and he may, as often as he may deem it expedient, make or cause to be made an examination of each advisory organization referred to in KRS 304.636 and of each group, association or other organization referred to in KRS 304.637. The reasonable costs of any such examination shall be paid by the rating orgainzation, advisory organization, or group, association or other organization examined upon presentation to it of a detailed account of such costs. The officers, manager, agents and employees of such rating organization, advisory organization, or group, association or other organization may be examined at any time under oath and shall exhibit all books, records, accounts, documents, or agreements governing its method of operation. The commissioner shall furnish two copies of the examination report to the organization, group or association examined and shall notify such organization, group or association that it may, within twenty days thereafter, request a hearing on said report or on any facts or recommendations therein. Before filing any such report for public inspection, the commissioner shall grant a hearing to the organization, group or association examined. The report of any such examination, when filed for public inspection, shall be admissible in evidence in any action or proceeding brought by the commissioner against the or-

ganization, group or association examined, or its officers or agents, and shall be prima facie evidence of the facts stated therein. The commissioner may withhold the report of any such examination from public inspection for such time as he may deem proper. In lieu of any such examination the commissioner may accept the report of an examination made by the insurance supervisory official of another state, pursuant to the laws of such state.

304.639 AGREEMENTS FOR EQUITABLE APPORTIONMENT OF INSURANCE UNOBTAINABLE THROUGH ORDINARY METHODS: Agreements may be made among insurers with respect to the equitable apportionment among them of insurance which may be afforded applicants who are in good faith entitled to but who are unable to procure such insurance through ordinary methods and such insurers may agree among themselves on the use of reasonable rate modifications for such insurance, such agreements and rate modifications to be subject to the approval of the commissioner.

304.641 RULES AND PLANS FOR RECORDING AND REPORTING OF LOSS AND EXPENSE EXPERIENCE; INTERCHANGE OF RATING PLAN DATA; CONSULTATION WITH OTHER STATES: (1) The commissioner shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with him, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss, and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid him in determining whether rating systems comply with the standards set forth in KRS 304.626. Such rules and plans may also provide for the recording and reporting of expense experience items which are specifically applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience. In promulgating such rules and plans, the commissioner shall give due consideration to the rating systems on file with him and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states. Each insurer shall record and report its loss experience on a classification basis consistent with the rating system filed by it.

Any insurer may report such experience direct to the commissioner or may satisfy its obligation to report such experience by becoming a member of, or a subscriber to, a licensed rating or qualified advisory organization which gathers, compiles and reports to the commissioner the experience required by this section and by authorizing the commissioner to accept such reports on its behalf. No insurer shall be required to report such experience to any licensed rating or qualified advisory organization of which it is not a member or subscriber. The experience of individual insurers thus reported to the commissioner shall not be revealed by him, except by court order, but the commissioner shall make a compilation of all such experience to the extent he may deem practicable and he shall, to the extent he may deem practicable, make a consolidation of all compilations filed with him and those made by him. All such compilations and consolidations shall be available to licensed insurers and licensed rating and qualified advisory organizations and shall also be open to public inspection, subject to reasonable rules promulgated by the commissioner.

(2) Reasonable rules and plans may be promulgated by the commissioner for the interchange of data necessary for the application of rating plans.

(3) In order to further uniform administration of rate regulatory laws, the commissioner and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations in other states and may consult with them with respect to rate making and the application of rating systems.

304.642 HEARINGS BEFORE COMMISSIONER, PROCEDURE ON; DECISION: (1) Any insurer or rating organization aggrieved by any order or decision of the commissioner made without a hearing, may, within thirty days after notice of the order to the insurer or organization, make written request to the commissioner for a hearing thereon. The commissioner shall hear such party or parties within twenty days after receipt of such request and shall give not less than ten days' written notice of the time and place of the hearing. Within fifteen days' after such hearing the commissioner shall affirm, reverse or modify his previous action, specifying his reasons therefor. Pending such hearing and

decision thereon the commissioner may suspend or postpone the effective date of his previous action.

(2) Nothing contained in Part II shall require the observance at any hearing of formal rules of pleading or evidence.

304.643 SUSPENSION OF LICENSE OF RATING ORGANIZATION OR INSURER: The commissioner may suspend the license of any rating organization or insurer which fails to comply with an order of the commissioner within the time limited by such order, or any extension thereof which the commissioner may grant. The commissioner shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal therefrom has expired or, if an appeal has been taken, until such order has been affirmed. The commissioner may determine when a suspension of license shall become effective and it shall remain in effect for the period fixed by him, unless he modifies or rescinds such suspension, or until the order upon which such suspension is based is modified, rescinded or reversed. No license shall be suspended or revoked except upon a written order of the commissioner, stating his findings, made after a hearing held upon not less than ten days' written notice to such person or organization specifying the alleged violation.

304.644 WITHHOLDING INFORMATION OR GIVING FALSE INFORMATION; PENALTIES: No person or organization shall willfully withhold information from, or knowingly give false or misleading information to, the commissioner, any statistical agency designated by the commissioner, any rating organization or any insurer, which will affect the rates or premiums chargeable under Part II. A violation of this section shall subject the one guilty of such violation to the penalties provided in KRS 304.643 and in paragraph (k) of subsection (1) of KRS 304.990.

ARTICLE SEVENTEEN

THE INSURANCE CONTRACT

304.648 SCOPE OF ARTICLE: The applicable provisions of this article shall apply to insurances other than ocean marine and foreign trade insurances. This article shall not apply as to insurance contracts not issued for delivery in this state, nor shall this article apply as to insurance contracts not delivered in this state.

304.649 POWER TO CONTRACT: (1) Any person of competent legal capacity may contract for insurance.

(2) A minor not less than fifteen (15) years of age as at nearest birthday may, notwithstanding such minority, contract for life or disability insurance on his own life or body, for his own benefit or for the benefit of his father, mother, spouse, child, brother, sister, or grandparent. A minor not less than fifteen (15) years of age as at nearest birthday shall, notwithstanding such minority, be deemed competent to exercise all rights and powers with respect to or under any contract of life or disability insurance on his own life or body, as though of full legal age, and may surrender his interest therein and give a valid discharge for any benefit accruing or money payable thereunder. The minor shall not, by reason of his minority, be entitled to rescind, avoid, or repudiate the contract, or any exercise of a right or privilege thereunder; except, that such minor, not otherwise emancipated, shall not be bound by any unperformed agreement to pay, by promissory note or otherwise, any premium on any such insurance contract.

304.650 INSURABLE INTEREST — PERSONAL INSURANCE: (1) Any individual of competent legal capacity may procure or effect an insurance contract upon his own life or body for the benefit of any person. But no person shall procure or cause to be procured any insurance contract upon the life or body of another individual unless the benefits under such contract are payable to the individual insured or his personal representatives, or to a person having, at the time when such contract was made, an insurable interest in the individual insured.

(2) If the beneficiary, assignee or other payee under any contract made in violation of this section receives from the insurer any benefits thereunder accruing upon the death, disablement or injury of the individual insured, the individual insured or his executor or administrator, as the case may be, may maintain an action to recover such benefits from the person so receiving them.

(3) "Insurable interest" as used in this section and in KRS 304.653 includes only interests as follows:

(a) In the case of individuals related closely by blood or by law, a substantial interest engendered by love and affection; and

(b) in the case of other persons, a lawful and substantial economic interest in having the life, health or bodily safety of the in-

dividual insured continue, as distinguished from an interest which would arise only by, or would be enhanced in value by, the death, disablement or injury of the individual insured.

(c) An individual heretofore or hereafter party to a contract or option for the purchase or sale of an interest in a business partnership or firm, or of shares of stock of a close corporation or of an interest in such shares, has an insurable interest in the life of each individual party to such contract and for the purposes of such contract only, in addition to any insurable interest which may otherwise exist as to the life of such individual.

304.651 INSURABLE INTEREST — PROPERTY INSURANCES: (1) No contract of insurance on property or of any interest therein or arising therefrom shall be enforceable as to the insurance except for the benefit of persons having an insurable interest in the things insured.

(2) "Insurable interest" as used in this section means any lawful and substantial economic interest in the safety or preservation of the subject of the insurance free from loss, destruction or pecuniary damage.

304.652 INTEREST OF THE INSURED: When the name of a person intended to be insured is specified in the policy, such insurance can be applied only to his own proper interest. This section shall not apply to life, disability or title insurance.

304.653 APPLICATION FOR INSURANCE REQUIRED: No life or disability insurance policy upon an individual, except a policy of group life insurance or of group or blanket disability insurance as defined in this code, shall be made or effectuated unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, in writing applies therefor or consents thereto, except in the following cases:

(1) A spouse may effectuate such insurance upon the other spouse.

(2) Any person having an insurable interest in the life of a minor, or any person upon whom a minor is dependent for support and maintenance, may effectuate insurance upon the life of or pertaining to the minor.

304.654 ALTERATION OF APPLICATION: (1) Any application for insurance in writing by the applicant shall be altered

solely by the applicant or by his written consent, except that insertions may be made by the insurer for administrative purposes only in such manner as to indicate clearly that such insertions are not to be ascribed to the applicant.

(2) No person shall falsify or cause to be falsified, in any application for insurance, any answer to a question propounded to the applicant therein, or insert or cause to be inserted therein, except as provided in subsection (1) of this section, any statement to be made by such applicant other than the statement made by the applicant.

(3) An insurer issuing a policy upon an application which has been unlawfully altered by its officer, employee, or agent shall not have available in any action arising out of such policy, any defense based upon the fact of such alteration, or as to any item which was so altered.

304.655 APPLICATION AS EVIDENCE: (1) No application for the issuance of any life insurance policy shall be admissible in evidence in any action relative to such policy, unless a true copy of the application was attached to or otherwise made a part of the policy when issued and delivered. A photostatic or other process copy or reduction of the application or medical examination, if any, may be so used if clearly legible. This provision shall not apply to industrial life insurance policies.

(2) If any policy of life or disability insurance delivered in this state is reinstated or renewed, and the insured or the beneficiary or assignee of the policy makes written request to the insurer for a copy of the application, if any, for such reinstatement or renewal, the insurer shall, within thirty (30) days after receipt of such request at its home office or any of its branch offices, deliver or mail to the person making such request, a copy of such application. If such copy is not so delivered or mailed, the insurer shall be precluded from introducing such application as evidence in any action or proceeding based upon or involving the policy or its reinstatement or renewal.

(3) As to kinds of insurance other than life insurance, no application for insurance signed by or on behalf of the insured shall be admissible in evidence in any action between the insured and the insurer arising out of the policy so applied for, if the insurer has failed, within thirty (30) days after receipt by the insurer

of written demand therefor by or on behalf of the insured, to furnish to the insured a copy of such application reproduced by any legible means.

304.656 WARRANTIES, MISREPRESENTATIONS IN APPLICATIONS: All statements or descriptions in any application for an insurance policy or in negotiations therefor, by or in behalf of the insured, shall be deemed to be representations and not warranties. Misrepresentations, unless material or fraudulent, shall not prevent a recovery on the policy.

304.657 APPROVAL OF FORMS: (1) No basic insurance policy form other than surety bond forms, or application form where written application is required and is to be made part of the policy, or printed life or disability rider or endorsement form shall be issued, delivered, or used unless it has been filed with and approved by the commissioner. This section shall not apply to policies, riders or endorsements of unique character designed for and used with relation to insurance upon a particular subject, or which relate to the manner of distribution of benefits or to the reservation of rights and benefits under life or disability insurance policies, and which are used at the request of the individual policyholder, contract holder or certificate holder.

(2) Every such filing shall be made not less than fifteen (15) days in advance of any such issuance, delivery, or use. At the expiration of such fifteen (15) days the form so filed shall be deemed approved unless prior thereto it has been affirmatively approved or disapproved by order of the commissioner. The commissioner may extend by not more than an additional fifteen (15) days the period within which he may so affirmatively approve or disapprove any such form, by giving notice of such extension before expiration of the initial fifteen-day period. At the expiration of any such period as so extended, and in the absence of such prior affirmative approval or disapproval, any such form shall be deemed approved. Approval of any such form by the commissioner shall constitute a waiver of any unexpired portion of such initial fifteen-day waiting period.

(3) The commissioner's order disapproving any such form shall state the grounds therefor. The commissioner may, for cause after a hearing, withdraw a previous approval.

(4) No such form shall knowingly be so issued or delivered as to which the commissioner's approval does not then exist.

(5) The commissioner may, by order, exempt from the requirements of this section for so long as he deems proper, any insurance document or form or type thereof as specified in such order, to which in his opinion this section may not practicably be applied, or the filing and approval of which are, in his opinion, not desirable or necessary for the protection of the public.

304.658 GROUNDS FOR DISAPPROVAL: The commissioner shall disapprove any such form of policy, application, rider, or endorsement, or withdraw any previous approval thereof, only

(1) if it is in any respect in violation of or does not comply with this code; or

(2) if it does not comply with any applicable filing theretofore made and approved; or

(3) if it contains or incorporates by reference any inconsistent, ambiguous or misleading clauses, or exceptions and conditions which deceptively affect the risk purported to be assumed in the general coverage of the contract; or

(4) if it has any title, heading, or other indication of its provisions which is misleading; or

(5) if any material part of the policy is printed in type substantially illegible.

304.660 STANDARD PROVISIONS IN GENERAL: (1) Policies shall contain such standard provisions as are required by the applicable articles of this code pertaining to contracts of particular kinds of insurance. The commissioner may waive the required use of a particular standard provision in a particular insurance policy form if

(a) He finds such provision unnecessary for the protection of the insured, and inconsistent with the purposes of the policy, and

(b) the policy is otherwise approved by him.

(2) No policy shall contain any provision inconsistent with or contradictory to any such standard provision used or required to be used, but the commissioner may approve a substitute provision which is in his opinion not less favorable to the insured than the standard provision or optional standard provision otherwise required. No endorsement, rider, or other documents attached to such policy shall vary, extend, or in any respect conflict with any such standard provision, or such approved substitute provision, contained or required to be contained in the policy. Any waiver or attempted

waiver by the insured of any such standard or substitute provision shall be void.

(3) In lieu of the standard provisions required by this code for policies for particular kinds of insurance, substantially similar standard provisions required by the law of a foreign or alien insurer's domicile may be used when approved by the commissioner.

304.661 CONTENTS OF POLICIES IN GENERAL: (1) The written instrument, in which a contract of insurance is set forth, is the policy.

(2) A policy shall specify:

(a) The names of the parties to the contract. The policy shall be headed by the insurer's own and proper corporate name.

(b) The subject of the insurance.

(c) The risks insured against and the amount of insurance.

(d) The time at which the insurance thereunder takes effect and the period during which the insurance is to continue.

(e) A statement of the premium, other than as to surety bonds, and if other than life, disability, or title insurance, the premium rate. As to title insurance, a statement of the premium need not be contained in the policy if such statement is contained in the application for the policy.

(f) The conditions pertaining to the insurance.

(3) If under the contract the exact amount of premiums is determinable only at termination of the contract, or at periodic intervals of the contract, a statement of the basis and rates upon which the final premium is to be determined and paid shall be furnished any policy examining bureau having jurisdiction or to the insured upon request.

(4) This section shall not apply to surety insurance, or to group insurance policies or contracts.

304.662 ADDITIONAL CONTENTS: A policy may contain additional provisions, which are not inconsistent with this code, and which are

(1) required to be so inserted by the laws of the insurer's state of domicile; or

(2) appropriate, on account of the manner in which the insurer is constituted or operated, to state the rights and obligations of the parties to the contract.

304.663 CHARTER, BY-LAW PROVISIONS: No policy shall contain any provision purporting to make any portion of the charter, by-laws, or other constituent document or rules of the insurer a part of the contract unless such portion is set forth in full in the policy. Any policy provision in violation of this section shall be invalid.

304.666 STATED PREMIUM TO INCLUDE ALL CHARGES: (1) All fees, charges, premiums, or other consideration charged for the insurance or for the procurement thereof shall be stated in the policy.

(2) No insurer or its officer, employee, agent, solicitor, or other representative shall charge, or receive any fee, compensation, or consideration for insurance which is not included in the premium or stated in the policy.

(3) This section shall not apply as to surety insurance, title insurance, or as to group insurance.

304.667 MUST CONTAIN ENTIRE CONTRACT: (1) No agreement in conflict with, modifying, or extending any contract of insurance shall be valid unless in writing and made a part of the policy.

(2) No insurer or its representative shall make any insurance contract or agreement relative thereto other than as is plainly expressed in the policy.

(3) The requirements of this section shall not apply to the granting of additional benefits to all policyholders of an insurer, or a class or classes of them, which do not require increases in premium rates or reduction or restrictions of coverage.

304.669 LIMITING ACTIONS, JURISDICTION: (1) No insurance contract delivered or issued for delivery in this state and covering subjects located, resident, or to be performed in this state, shall contain any condition, stipulation or agreement

(a) requiring it to be governed by the laws of any other state or country except as necessary to meet the requirements of the motor vehicle financial responsibility laws of such other state or country; or

(b) depriving the courts of this state of the jurisdiction of action against the insurer.

(2) Any such condition, stipulation, or agreement in violation of this section shall be void, but such voiding shall not affect the validity of the other provisions of the contract.

304.671 EXECUTION OF POLICIES: (1) Every insurance contract shall be executed in the name of and on behalf of the insurer by its officer, attorney-in-fact, employee or representative duly authorized by the insurer.

(2) A facsimile signature of any such executing officer, attorney-in-fact, employee, or representative may be used in lieu of an original signature.

(3) No insurance contract heretofore or hereafter issued and which is otherwise valid shall be rendered invalid by reason of the apparent execution thereof on behalf of the insurer by the imprinted facsimile signature of any individual not authorized so to execute as of the date of the policy, if the policy is countersigned with the original signature of an individual then so authorized to countersign.

304.672 DURATION OF BINDERS: (1) A "binder" is used to bind insurance temporarily pending the issuance of the policy. No binder shall be valid beyond the issuance of the policy as to which it was given, or beyond such reasonable period as shall be established by rules and regulations promulgated by the commissioner after a hearing thereon.

(2) This section shall not apply as to policies or contracts issued by life or disability insurers.

304.673 LIABILITY OF AGENT ON BINDER: The commissioner may suspend or revoke the license of any agent issuing or purporting to issue any binder as to any insurer named therein as to which he is not then authorized so to bind.

304.674 UNDERWRITERS' AND COMBINATION POLICIES: (1) Two (2) or more authorized insurers may jointly issue, and shall be jointly and severally liable on, an underwriters' policy bearing their names. Any one insurer may issue policies in the name of an underwriter's department and such policies shall plainly show the true name of the insurer.

(2) Two (2) or more authorized insurers may, with the commissioner's approval, issue a combination policy which shall contain provisions substantially as follows:

(a) That the insurers executing the policy shall be severally liable for the full amount of any loss or damage, according to the terms of the policy, or for specified percentages or amounts thereof, aggregating the full amount of insurance under the policy.

(b) That service of process, or of any notice of proof of loss required by such policy, upon any of the insurers executing the policy, shall constitute service upon all such insurers.

(3) This section shall not apply to co-surety obligations.

304.677 DELIVERY OF POLICY: (1) Subject to the insurer's requirements as to payment of premium, every policy shall be mailed or delivered to the insured or to the person entitled thereto within a reasonable period of time after its issuance.

(2) In event the original policy is delivered or is so required to be delivered to or for deposit with any vendor, mortgagee, or pledgee of any motor vehicle or aircraft, and in which policy any interest of the vendee, mortgagor, or pledgor in or with reference to such vehicle or aircraft is insured, a duplicate of such policy, or memorandum thereof setting forth the name and address of the insurer, type of coverage, limit of liability, premiums for the respective coverages, and duration of the policy, shall be delivered by the vendor, mortgagee, or pledgee to each such vendee, mortgagor, or pledgor named in the policy or coming within the group of persons designated in the policy to be so included. If the policy does not provide coverage of legal liability for injury to persons or damage to the property of third parties, a statement of such fact shall be printed, written, or stamped conspicuously on the face of such duplicate policy or memorandum.

304.679 RENEWAL OF POLICY: Any insurance policy terminating by its terms at a specified expiration date and not otherwise renewable, may be renewed or extended at the option of the insurer, upon a currently authorized policy form and at the premium rate then required therefor, for a specific additional period or periods by a certificate or by endorsement of the policy, and without requiring the issuance of a new policy.

304.684 ANNULMENT OF LIABILITY POLICIES: No insurance contract insuring against loss or damage through legal liability for the bodily injury or death by accident of any individual, or for damage to the property of any person, shall be retroactively an-

nulled by any agreement between the insurer and insured after the occurrence of any such injury, death, or damage for which the insured may be liable, and any such annulment attempted shall be void.

304.685 DIVIDENDS PAYABLE TO REAL PARTY: (1) Every insurer issuing participating policies, shall pay dividends, unused premium refunds or savings distributed on account of any such policy, only to the real party in interest entitled thereto as shown by the insurer's records, or to any person to whom the right thereto has been assigned in writing of record with the insurer, or given in the policy by such real party in interest.

(2) Any person who is shown by the insurer's records to have paid for his own account, or to have been ultimately charged for, the premium for insurance provided by a policy in which another person is the nominal insured, shall be deemed such real party in interest proportionate to premium so paid or so charged. This subsection shall not apply as to any such dividend, refund, or distribution which would amount to less than one dollar ($1).

(3) This section shall not apply to contracts of group life insurance, group annuities, or group disability insurance, nor to policies issued prior to the effective date of this code, nor to any policy which contains a provision specifying to whom the dividends shall be paid.

304.687 ASSIGNMENT OF POLICIES: (1) A policy may be assignable or not assignable, as provided by its terms.

(2) Subject to the terms of the policy relating to its assignability, whether such policies were heretofore or are hereafter issued, any policy under the terms of which the beneficiary may be changed upon the sole request of the insured, may be assigned either by pledge or transfer of title, by an assignment executed by the insured alone and delivered to the insurer, whether or not the pledgee or assignee is the insurer. Any such assignment shall entitle the insurer to deal with the assignee as the owner or pledgee of the policy in accordance with the terms of the assignment, until the insurer has received at its home office written notice of termination of the assignment or pledge.

304.688 PAYMENT DISCHARGES INSURER: Whenever the proceeds of, or payments under, a policy or contract heretofore or

hereafter issued by a life or disability insurer, become payable in accordance with the terms of such policy or contract, or the exercise of any right or privilege thereunder and the insurer makes payment thereof in accordance with the terms of the policy or in accordance with written assignment thereof, the person then designated in the policy or by such assignment as being entitled thereto, shall be entitled to receive such proceeds or payments from the insurer and to give full acquittance therefor, and such payment shall fully discharge the insurer from all claims under the policy unless, before payment is made, the insurer has received at its home office, written notice by or on behalf of some other person that such other person claims to be entitled to such payment or some interest in the policy.

304.689 MINOR MAY GIVE ACQUITTANCE: Any minor domiciled in this state who has attained the age of eighteen (18) years, shall be deemed competent to receive and to give full acquittance and discharge for a payment or payments in aggregate amount not exceeding two thousand dollars ($2,000) in any one year, made by a life insurer as benefits payable to a minor in compliance with the provisions of an insurance policy or annuity contract or settlement agreement. No such minor shall be deemed competent to alienate the right to, or to anticipate, such payments. This section shall not be deemed to restrict the rights of minors insured pursuant to subsection (2) of KRS 304.649.

304.690 EXEMPTION OF PROCEEDS—DISABILITY: The proceeds or avails of all contracts of disability insurance and of provisions providing benefits on account of the insured's disability which are supplemental to life insurance or annuity contracts heretofore or hereafter effected shall be exempt from all liability for any debt of the insured, and from any debt of the beneficiary existat the time the proceeds are made available for his use.

304.691 EXEMPTION OF PROCEEDS—LIFE: (1) When a policy of insurance is effected by any person on his own life or on another life in favor of some person other than himself having an insurable interest therein, the lawful beneficiary thereof, other than the person effecting the insurance or his legal representatives, shall be entitled to its proceeds against the creditors and representatives of the person effecting the same.

(2) Subject to the statute of limitations, the amount of any premiums for such insurance paid in fraud of creditors, with interest thereon, shall inure to their benefit from the proceeds of the policy, but the insurer issuing the policy shall be discharged of all liability thereon by payment of its proceeds in accordance with its terms, unless, before such payment, the insurer received written notice by or in behalf of some creditor, with specification of the amount claimed, claiming to recover for certain premiums paid in fraud of creditors.

(3) For the purposes of subsection (1) of this section a policy shall also be deemed to be payable to a person other than the insured if and to the extent that a facility-of-payment clause or similar clause in the policy permits the insurer to discharge its obligation after the death of the individual insured by paying the death benefits to a person as permitted by such clause.

304.692 EXEMPTION OF PROCEEDS—GROUP LIFE: (1) A policy of group life insurance or the proceeds thereof payable to the individual insured or to the beneficiary thereunder, shall not be liable, either before or after payment, to be applied by any legal or equitable process to pay any liability of any person having a right under the policy. The proceeds thereof, when not made payable to a named beneficiary or to a third person pursuant to a facility-of-payment clause, shall not constitute a part of the estate of the individual insured for the payment of his debts.

(2) This section shall not apply to group life insurance policies issued under KRS 304.841 (debtor groups) to the extent that such proceeds are applied to payment of the obligation for the purpose of which the insurance was so issued.

304.693 EXEMPTION OF PROCEEDS—ANNUITIES: (1) The benefits, rights, privileges and options which under any annuity contract heretofore or hereafter issued are due or prospectively due the annuitant, shall not be subject to execution nor shall the annuitant be compelled to exercise any such rights, powers, or options, nor shall creditors be allowed to interfere with or terminate the contract, except:

(a) As to amounts paid for or as premium on any such annuity with intent to defraud creditors, with interest thereon, and

of which the creditor has given the insurer written notice at its home office prior to the making of the payments to the annuitant out of which the creditor seeks to recover. Any such notice shall specify the amount claimed or such facts as will enable the insurer to ascertain such amount, and shall set forth such facts as will enable the insurer to ascertain the insurance or annuity contract, the person insured or annuitant and the payments sought to be avoided on the ground of fraud.

(b) The total exemption of benefits presently due and payable to any annuitant periodically or at stated times under all annuity contracts under which he is an annuitant, shall not at any time exceed two hundred and fifty dollars ($250) per month for the length of time represented by such installments, and that such periodic payment in excess of two hundred and fifty dollars ($250) per month shall be subject to garnishee execution to the same extent as are wages and salaries.

(c) If the total benefits presently due and payable to any annuitant under all annuity contracts under which he is an annuitant, shall at any time exceed payment at the rate of two hundred and fifty dollars ($250) per month, then the court may order such annuitant to pay to a judgment creditor or apply on the judgment, in installments, such portion of such excess benefits as to the court may appear just and proper, after due regard for the reasonable requirements of the judgment debtor and his family, if dependent upon him, as well as any payments required to be made by the annuitant to other creditors under prior court orders.

(2) If the contract so provides, the benefits, rights, privileges or options accruing under such contract to a beneficiary or assignee shall not be transferable nor subject to commutation, and if the benefits are payable periodically or at stated times, the same exemptions and exceptions contained herein for the annuitant, shall apply with respect to such beneficiary or assignee.

(3) An annuity contract within the meaning of this section shall be any obligation to pay certain sums at stated times, during life or lives, or for a specified term or terms, issued for a valuable consideration, regardless of whether or not such sums are payable to one (1) or more persons, jointly or otherwise, but does not include payments under life insurance contracts at stated time during life or lives, or for a specified term or terms.

304.695 RIGHTS OF MARRIED WOMEN IN LIFE INSURANCE: (1) Every life insurance policy made payable to or for the benefit of or duly assigned or transferred to a married woman, or to any person in trust for her, shall inure to her separate use and benefit and that of her children, independently of her husband or his creditors or any other person effecting or transferring the policy or his creditors.

(2) A married woman may, without consent of her husband, contract, pay for, take out and hold a policy on the life or health of her husband or children, or against loss by his or their disablement by accident. The premiums paid on the policy shall be held to have been her separate estate, and the policy shall inure to her separate use and benefit and that of her children, free from any claim of her husband or others.

(3) If the premium on any such policy is paid by any person with intent to defraud his creditors, an amount equal to the premium so paid, with interest thereon, shall inure to the benefit of the creditors, subject to the statute of limitations.

304.697 FORMS FOR PROOF OF LOSS FURNISHED: An insurer shall furnish upon written request of any person claiming to have a loss under any insurance contract, forms of proof of loss for completion by such person, but such insurer shall not, by reason of the requirement so to furnish forms, have any responsibility or liability for or with reference to the completion of such proof or the manner of any such completion or attempted completion.

304.698 CLAIM ADMINISTRATION NOT WAIVER: None of the following acts by or on behalf of an insurer shall be deemed to constitute a waiver of any provision of a policy or of any defense of the insurer thereunder:

(1) Acknowledgment of the receipt of notice of loss or claim under the policy.

(2) Furnishing forms for reporting a loss or claim, for giving information relative thereto, or for making proof of loss, or receiving or acknowledging receipt of any such forms or proofs completed or uncompleted.

(3) Investigating any loss or claim under any policy or en-

gaging in negotiations looking toward a possible settlement of any such loss or claim.

304.701 VALIDITY OF NON-COMPLYING FORMS: Any insurance policy, rider, or endorsement hereafter issued and otherwise valid, which contains any condition or provision not in compliance with the requirements of this code, shall not be rendered invalid thereby, but shall be construed and applied in accordance with such conditions and provisions as would have applied had such policy, rider, or endorsement been in full compliance with this code.

304.702 CONSTRUCTION OF POLICIES: Every insurance contract shall be construed according to the entirety of its terms and conditions as set forth in the policy, and as amplified, extended, or modified by any rider, endorsement, or application attached to and made a part of the policy.

ARTICLE EIGHTEEN

DISABILITY INSURANCE

304.708 SCOPE OF ARTICLE: This article applies to all disability insurance contracts other than contracts of group or blanket disability insurance. This article shall not be deemed to apply to reinsurance or to any contract of Workmen's Compensation insurance, or to any policy of liability insurance with or without supplementary expense coverage therein, or to disability benefits supplemental to life insurance and life annuities and included within the definition of life insurance under this code.

304.709 FORMAT OF DISABILITY POLICIES: (1) No disability policy shall be issued or delivered to any person in this state unless it otherwise complies with this code, and complies with the following:

(a) The times at which the insurance takes effect and terminates shall be clearly stated in the policy.

(b) The policy shall not purport to insure more than one (1) person, unless it provides "family expense disability insurance" as defined in this article.

(c) Every printed portion thereof and of any endorsements or attached papers shall be plainly printed in type of which the face is not smaller than ten point.

(d) Except in the case of transportation ticket policies, a brief description of the policy shall be printed on its first page and on the filing back in type with the face not smaller than fourteen point.

(e) The exceptions of the policy shall be printed with prominence not less than that of the benefits to which they apply.

(f) If any portion of the policy purports, by reason of the circumstances under which a loss is incurred, to reduce any indemnity to an amount less than that provided for the same loss occurring under ordinary circumstances, such portion shall be printed in boldfaced type with greater prominence than any other portion of the text of the policy.

(g) Each such policy form, and rider or endorsement to be made a part thereof, shall be identified by a form number in the lower lefthand corner of the first page of each folio and of each separately printed insert sheet.

(2) If any policy is issued by a domestic insurer for delivery to an individual residing in another state, and if the official having responsibility for the administration of the insurance laws of such other state has informed the commissioner that any such policy is not subject to approval or disapproval by such official, the commissioner may by ruling require that such policy meet the standards and requirements for disability insurance policies contained in this code.

304.712 STANDARD PROVISIONS REQUIRED: Except as otherwise provided in KRS 304.660, or by this article, every disability policy shall contain certain standard provisions, which shall be in the words, and in the order of the number, of each provision as set forth in this article and shall be preceded in every policy by the caption, "Standard Provisions."

304.713 DESIGNATION OF INSURER: In each such standard provision wherever the word "insurer" is used, there shall be substituted therefor "company", "corporation", "association", "society", "exchange", or such word as will properly designate the insurer.

304.714 STANDARD PROVISION NO. 1—THE CONTRACT: There shall be a standard provision relative to the contract which shall be in one of the following three forms. Form (A) shall be

used in policies which do not provide for reduction of indemnity on account of change of occupation, and form (B) shall be used in policies which do so provide. Form (C) shall be used in all policies providing for reduction of indemnity on account of change of occupation only as respects part of the accident coverage or part of the health coverage thereunder. If form (B) or form (C) is used and the policy provides indemnity against loss from sickness, the words "or contract sickness" may be inserted therein immediately after the words "in the event that the insured is injured." If form (C) is used and the policy provides indemnity against loss from sickness the words "or sickness" may be inserted therein immediately after the words "where the injuries."

(A) 1. This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance. No reduction shall be made in any indemnity herein provided by reason of change in the occupation of the insured or by reason of his doing any act or thing pertaining to any other occupation.

(B) 1. This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance except as it may be modified by the insurer's classification of risks and premium rates in the event that the insured is injured after having changed his occupation to one classified by the insurer as more hazardous than that stated in the policy, or while he is doing any act or thing pertaining to any occupation so classified, except ordinary duties about his residence or while engaged in recreation, in which event the insurer will pay only such portion of the indemnities provided in the policy as the premium paid would have purchased at the rate but within the limits so fixed by the insurer for such more hazardous occupation.

If the law of the state in which the insured resides at the time this policy is issued requires that prior to its issue a statement of the premium rates and classification of risks pertaining to it shall be filed with the state official having supervision of insurance in such state, then the premium rates and classification of risks mentioned in this policy shall mean only such as have been last filed by the insurer in accordance with such law, but if such filing is not required by such law, then they shall mean the insurer's premium rates and classification of risks last made effec-

tive by it in such state prior to the occurrence of the loss for which the insurer is liable.

(C) 1. This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance except as it may be modified by the insurer's classification of risks and premium rates in the event that the insured is injured after having changed his occupation to one classified by the insurer as more hazardous than that stated in the policy, or while he is doing any act or thing pertaining to any occupation so classified, except ordinary duties about his residence or while engaged in recreation, in which event the insurer will pay only such portion of the indemnities provided in the policy as the premium paid would have purchased at the rate but within the limits so fixed by the insurer for such more hazardous occupation. No such mentioned modification or reduction shall be effective with respect to indemnities which by the terms of the policy, including any riders attached thereto, are not subject to modification or reduction where the injuries do not arise out of or in the course of the insured's occupation or employment.

If the law of the state in which the insured resides at the time this policy is issued requires that prior to its issue a statement of the premium rates and classification of risks pertaining to it shall be filed with the state official having supervision of insurance in such state then the premium rates and classification of risks mentioned in this policy shall mean only such as have been last filed by the insurer in accordance with such law, but if such filing is not required by such law they shall mean the insurer's premium rates and classification of risks last made effective by it in such state prior to the occurrence of the loss for which the insurer is liable.

304.715 STANDARD PROVISION NO. 2—CONTRACT CHANGES: Except in the case of transportation ticket policies, there shall be a standard provision relative to change in the contract, which shall be in the following form:

2. No statement made by the applicant for insurance not included herein shall avoid the policy or be used in any legal proceeding hereunder. No agent has authority to change this policy or to waive any of its provisions. No change in this policy shall

be valid unless approved by an executive officer of the insurer and such approval be endorsed hereon.

304.716 STANDARD PROVISION NO. 3 — REINSTATEMENT: Except in the case of policies which do not provide for renewal, there shall be a standard provision relative to reinstatement of the policy after lapse, which shall be in any of the three following forms: Form (A) shall be used in policies which insure only against loss from accident; form (B) shall be used in policies which insure only against loss from sickness; and form (C) shall be used in policies which insure against loss from both accident and sickness.

(A) 3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of a premium by the insurer or by any of its duly authorized agents shall reinstate the policy, but only to cover loss resulting from accidental injury thereafter sustained.

(B) 3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of a premium by the insurer or by any of its duly authorized agents shall reinstate the policy but only to cover such sickness as may begin more than ten (10) days after the date of such acceptance.

(C) 3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of a premium by the insurer or by any of its duly authorized agents shall reinstate the policy but only to cover accidental injury thereafter sustained and such sickness as may begin more than ten (10) days after the date of such acceptance.

304.717 STANDARD PROVISION NO. 4 — NOTICE OF CLAIM: There shall be a standard provision relative to time of notice of claim, which shall be in any of the three following forms: Form (A) shall be used in policies which insure only against loss from accident; form (B) shall be used in policies which insure only against loss from sickness, and form (C) shall be used in policies which insure against loss from both accident and sickness and may be used in all schedule type policies. If form (A) or form (C) is used the insurer may at its option add thereto the following: "In event of accidental death immediate notice thereof must be given

to the insurer." The words in parentheses may be used only in schedule type policies.

(A) 4. Written notice of injury on which claim may be based must be given to the insurer within twenty (20) days after the date of the accident causing such injury.

(B) 4. Written notice of sickness on which claim may be based must be given to the insurer within ten (10) days after the commencement of the disability from such sickness.

(C) 4. Written notice of injury or of sickness (if covered by this policy) on which claim may be based must be given to the insurer within twenty (20) days after the date of the accident causing such injury or within ten (10) days after the commencement of disability from such sickness.

304.718 STANDARD PROVISION NO. 5—SUFFICIENCY OF NOTICE: There shall be a standard provision relative to sufficiency of notice of claim, which shall be in the following form and in which the insurer shall insert in the blank space such office and its location as it may desire to designate for such purpose of notice.

5. Such notice given by or in behalf of the insured or beneficiary, as the case may be, to the insurer at ..... or to any authorized agent of the insurer, with particulars sufficient to identify the insured, shall be deemed to be notice to the insurer. Failure to give notice within the time provided in this policy shall not invalidate any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible.

304.719 STANDARD PROVISION NO. 6—FORMS FOR PROOF: There shall be a standard provision relative to furnishing forms for the convenience of the insured in submitting proof of loss, as follows:

6. The insurer upon receipt of such notice, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not so furnished within fifteen (15) days after the receipt of such notice, the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss upon submitting within the time fixed in the policy for filing

proofs of loss, written proof covering the occurrence, character and extent of the loss for which claim is made.

304.720 STANDARD PROVISION NO. 7—TIME FOR FILING PROOF: There shall be a standard provision relative to filing proof of loss which shall be in the one of the following forms appropriate to the indemnities provided. The words in parentheses may be used only in schedule type policies.

(A) 7. Affirmative proof of loss must be furnished to the insurer at its said office within ninety (90) days after the date of the loss for which claim is made.

(B) 7. Affirmative proof of loss must be furnished to the insurer at its said office within ninety (90) days after the termination of the period of disability for which the insurer is liable.

(C) 7. Affirmative proof of loss must be furnished to the insurer at its said office in case of claim for loss of time from disability (if covered by this policy) within ninety (90) days after the termination of the period for which the insurer is liable, and in case of claim for any other loss, within ninety (90) days after the date of such loss.

304.721 STANDARD PROVISION NO. 8 — EXAMINATION AND AUTOPSY: Except in the case of transportation ticket policies, there shall be a standard provision, relative to examination of the person of the insured and relative to autopsy, which shall be in the following form:

8. The insurer shall have the right and opportunity to examine the person of the insured when and so often as it may reasonably require during the pendency of claim hereunder, and also the right and opportunity to make an autopsy in case of death where it is not forbidden by law.

304.722 STANDARD PROVISION NO. 9—INDEMNITIES PAYABLE WHEN: There shall be a standard provision relative to the time within which payments other than those for loss of time on account of disability shall be made. Such provision shall be in either of the following two forms and may be omitted from any policy providing only indemnity for loss of time on account of disability. The insurer shall insert in the blank space either the word "immediately" or appropriate language to designate such period

of time, not more than sixty (60) days, as it desires. Form (A) shall be used in policies which do not provide indemnity for loss of time on account of disability and form (B) in policies which so do provide and may be used in all schedule type policies.

(A) 9. All indemnities provided in this policy will be paid ..... after receipt of due proof.

(B) 9. All indemnities provided in this policy for loss other than that of time on account of disability will be paid .... after receipt of due proof.

304.723 STANDARD PROVISION NO. 10—PERIODICAL PAYMENT OF INDEMNITIES: There shall be a standard provision relative to periodical payments of indemnity for loss of time on account of disability. Such provision shall be in the following form and may be omitted from any policy not providing for such indemnity. The insurer shall insert in the blank space of the form any period of time not exceeding sixty (60) days. The words in parentheses may be used only in schedule type policies.

10. Upon request of the insured and subject to due proof of loss all accrued indemnity for loss of time on account of disability (if covered by this policy) will be paid at the expiration of each ..... during the continuance of the period for which the insurer is liable, and any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of due proof.

304.724 STANDARD PROVISION NO. 11—INDEMNITIES, TO WHOM PAYABLE: There shall be a standard provision relative to indemnity payments which shall be in either of the two following forms: Form (A) shall be used in policies which designate a beneficiary and in all schedule type policies, and form (B) in policies which do not designate any beneficiary other than the insured:

(A) 11. Indemnity for loss of life of the insured is payable to the beneficiary if surviving the insured, and otherwise to the estate of the insured. All other indemnities of this policy are payable to the insured.

(B) 11. All the indemnities of this policy are payable to the insured.

304.725 STANDARD PROVISION NO. 12—CANCELLATION BY THE INSURED: Except in the case of transportation ticket policies, there shall be a standard provision providing for cancellation of the policy at the instance of the insured, which shall be in the following form:

12. If the insured shall at any time change his occupation to one classified by the insurer as less hazardous than that stated in the policy, the insurer, upon written request of the insured, and surrender of the policy, will cancel the same and will return to the insured the unearned premium.

304.726 STANDARD PROVISION NO. 13—RIGHTS OF BENEFICIARY: There shall be a standard provision relative to the rights of the beneficiary under the policy. Such provision shall be in the following form and may be omitted from any policy not designating a beneficiary. The words in parentheses may be used only in schedule type policies.

13. Consent of the beneficiary (if designated in this policy) shall not be requisite to surrender or assignment of this policy, or to change of beneficiary, or to any other changes in the policy.

304.727 STANDARD PROVISION NO. 14—TIME FOR SUITS: There shall be a standard provision limiting the time within which suit may be brought upon the policy, as follows:

14. No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty (60) days after proof of loss has been filed in accordance with the requirements of this policy, nor shall such action be brought at all unless brought within two (2) years from the expiration of the time within which proof of loss is required by the policy.

304.728 STANDARD PROVISION NO. 15—TIME LIMITATIONS: There shall be a standard provision relative to time limitations of the policy, as follows:

15. If any time limitation of this policy with respect to giving notice of claim or furnishing proof of loss is less than that permitted by the law of the state in which the insured resides at the time this policy is issued, such limitation is hereby extended to agree with the minimum period permitted by such law.

304.729 OPTIONAL STANDARD PROVISIONS: (1) A disability policy issued or delivered to any person in this state and containing any provision set forth below shall embody such provisions in the words and figures and in the order set forth for optional standard provisions by this article:

(a) Relative to the cancellation at the instance of the insurer.

(b) Limiting the amount of indemnity to a sum less than the amount stated in the policy and for which the premium has been paid.

(c) Providing for the deduction of any premium from the amount paid in settlement of claim.

(d) Relative to other insurance by the same insurer.

(e) Relative to the age limits of the policy.

Such provisions are hereby designated "optional standard provisions."

(2) The insurer may at its option omit from the policy any such optional standard provision.

(3) Such optional standard provisions, if inserted in the policy, shall immediately succeed the standard provisions named in this article.

304.730 OPTIONAL STANDARD PROVISION NO. 16—CANCELLATION BY INSURER: There may be an optional standard provision relative to cancellation of the policy at the instance of the insurer, as follows:

16. The insurer may cancel this policy at any time by written notice delivered to the insured or mailed to his last address, as shown by the records of the insurer, together with cash or the insurer's check for the unearned portion of the premiums actually paid by the insured, and such cancellation shall be without prejudice to any claim originating prior thereto.

304.731 OPTIONAL STANDARD PROVISION NO. 17—REDUCTION OF INDEMNITIES—OTHER INSURANCE: There may be an optional standard provision relative to reduction of the amount of indemnity to a sum less than that stated in the policy, as follows:

17. If the insured shall carry with another company, corporation, association or society other insurance covering the same loss without giving written notice to the insurer, then in that case the insurer shall be liable only for such portion of the indemnity promised as the said indemnity bears to the total amount of like indemnity in all policies covering such loss and for the return of such part of the premium paid as shall exceed the pro rata for the indemnity thus determined.

304.732 OPTIONAL STANDARD PROVISION NO. 18—DEDUCTION OF PREMIUMS: There may be an optional standard provision relative to deduction of premium upon settlement of claim, as follows:

18. Upon the payment of claim hereunder any premium then due and unpaid or covered by any note or written order may be deducted therefrom.

304.733 OPTIONAL STANDARD PROVISION NO. 19—EXCESS INSURANCE: There may be an optional standard provision relative to other insurance by the same insurer. It shall be in the one of the following forms appropriate to the indemnities provided. In the blank spaces the insurer shall insert such upward limits of indemnity as are specified in the insurer's classification of risks on file with the commissioner. In lieu of the phrase "like policy or policies" the insurer may, with the commissioner's approval, designate a specific kind or kinds of policies.

(A) 19. If a like policy or policies, previously issued by the insurer to the insured be in force concurrently herewith, making the aggregate indemnity in excess of $....., the excess insurance shall be void and all premiums paid for such excess shall be returned to the insured.

(B) 19. If a like policy or policies, previously issued by the insurer to the insured be in force concurrently herewith, making the aggregate indemnity for loss of time on account of disability in excess of $..... weekly, the excess insurance shall be void and all premiums paid for such excess shall be returned to the insured.

(C) 19. If a like policy or policies, previously issued by the insurer to the insured be in force concurrently herewith, making

the aggregate indemnity for loss other than that of time on account of disability in excess of $....., or the aggregate indemnity for loss of time on account of disability in excess of $..... weekly, the excess insurance of either kind shall be void and all premiums paid for such excess shall be returned to the insured.

(D) 19. Insurance effective at any one time on any person under ticket policies in this insurer is limited to ..... such policies, and the insurer will return to the insured all premiums paid for ticket policies in excess thereof.

304.734 OPTIONAL STANDARD PROVISION NO. 20—AGE LIMITS: There may be an optional standard provision relative to the age limits of the policy. It shall be in the following form and in the blank spaces the insurer shall insert such number of years as it elects:

20. The insurance under this policy shall not cover any person under the age of ..... years nor over the age of ..... years. Any premium paid to the insurer for any period not covered by this policy will be returned upon request.

304.735 INSURED'S VIOLATION OF LAW: Any provision which affects the liability of the insurer because of any violation of law by the insured shall provide in substance that the insurer shall not be liable for death, injury incurred or disease contracted, to which a contributing cause is the insured's commission of, or attempt to commit an assault or felony or which occurs while the insured is engaged in an illegal occupation.

304.736 USE OF LIQUOR—NARCOTICS: Any provision which affects the liability of the insurer because of the insured's use of intoxicating liquor or narcotics during the term of the policy shall provide in substance that the insurer shall not be liable for death, injury incurred or disease contracted while the insured is under the influence of intoxicants, or narcotics unless administered on the advice of a physician.

304.737 MISSTATEMENT OF AGE: (1) Any provision which affects the liability of the insurer because of a misstatement of age of the insured may provide that the policy shall in no event cover any person under or over the ages as specified therein, and

shall provide in substance that if the age of the insured has been misstated, any amount payable under the policy shall be such as the premium would have purchased at the correct age.

(2) The policy shall be void if (a) under the terms of the policy it would not have been issued had the age not been misstated, or if (b) by reason of a misstatement of age the insurer continued to accept premiums after the insured attained an age at which, as stated in the policy, the insuring contract ceased.

(3) Any premium paid to the insurer for any period not covered by the policy, in excess of any indemnity paid by the insurer to the insured during such period, shall be returned upon request.

304.740 FACILITY OF PAYMENT: The insurer may include in the policy a clause which may provide in substance, with such modifications as may be required by the coverage provided by the policy, that if there is no designated beneficiary as to all or any part of the insurance at the death of the insured, whether such insurance represents a death benefit or accrued but unpaid disability benefits, then the amount of insurance payable for which there is no designated beneficiary, shall be payable to the insured's estate, except that the insurer may in such case, at its option, pay such insurance, if the amount thereof does not exceed one thousand dollars ($1,000), to the executor or administrator of the insured, or to any of the insured's relatives by blood or legal adoption or connection by marriage, or to any person appearing to the insurer to be equitably entitled thereto by reason of having been named beneficiary, or by reason of having incurred expense for the maintenance, medical attention or burial of the insured. Payments so made shall discharge the insurer's obligation with respect to the amount of insurance so paid.

304.741 NONCANCELLABLE POLICIES—REQUIRED PROVISIONS: Every noncancellable disability policy, in addition to the standard provisions, shall contain in substance the following provision or provisions which in the commissioner's opinion are more favorable to the policyholder:

(1) A provision that the contract shall be incontestable as to any statement made in the application after it has been in force during the lifetime, and without disability of the insured for a

period of three (3) years from date of issue. This provision need not be included in any policy which does not provide benefits for sickness for more than two (2) years.

(2) A provision that the insured is entitled to a grace period of not less than ten (10) days within which the payment of any premium after the first may be made, subject at the option of the insurer to an interest charge not in excess of six per cent (6%) per annum for the number of days of grace elapsing before the payment of the premium, during which period of grace the policy shall continue in full force, but in case the policy becomes a claim by death, injury, or disablement of the insured occurring during such period of grace before the overdue premiums or the deferred premiums of the current policy year, if any, are paid, the amount of such premiums, together with interest on any overdue premium, may be deducted from any amount payable under the policy in settlement.

304.742 REDUCTION OF INDEMNITIES — NONCANCELLABLE POLICIES: A policy of disability insurance, which provides in substance that the insured may continue the policy in force for a period of not less than five (5) years after its effective date, during which period the insurer can not terminate it, may, in lieu of optional Standard Provision 17 set forth in KRS 304.731, provide in substance that if the total monthly amount of benefits promised in all policies or certificates of accident, health or disability insurance upon the insured, whether payable weekly or monthly, exceeds the average monthly earnings of the insured for the period of two (2) years immediately preceding a disability for which claim is made, then the insurer will be liable only for such proportionate amount of the promised benefits specified in the policy as the amount of such average monthly earnings of the insured bears to the total amount of monthly benefits promised under all such policies or certificates upon the insured at the time of such disability, and that such part of the premiums paid during such two (2) years as exceeds the pro rata amount of the premiums for the benefits actually paid thereunder will in such case, be returned; but that:

(1) Such proration shall not reduce the total monthly amount of the benefits payable, under all such policies or certificates upon the insured, below the sum of one hundred dollars ($100), or the

sum of the monthly benefits specified in such policies or certificates, whichever is the lesser.

(2) Such proration shall not apply to benefits payable in the event of the entire and irrecoverable loss of sight of both eyes, or the severance of both hands or both feet, or one hand and one foot.

(3) If payments have been made under the policy for previous disability which existed within three (3) calendar years prior to commencement of the disability for which claim is made, and the average monthly earnings of the insured for the period of two (2) years immediately preceding the previous disability were greater in amount than the average monthly earnings for the period of two (2) years immediately preceding the current disability, then the proportion of the average monthly earnings for the earlier period in lieu of such earnings for the later period will be taken as the basis for computing the proportion of the benefits to be paid the insured under this provision of the policy.

304.743 SCHEDULE TYPE POLICIES DEFINED: As used in this article, "schedule type policies" means policies which by their terms afford insurance only with respect to such and so many of the various types of coverage described in the forms thereof as for which separate premium charges are made and specified in a schedule on the first page thereof.

304.744 TRAVEL TICKET POLICY DEFINED: A travel ticket policy is any ticket policy of disability insurance sold at transportation stations, ticket offices or travel bureaus by the employees of railroads, steamship lines, air lines and other organizations engaged in transporting persons as common carriers, or by individuals or employees of persons engaged in selling transportation on such common carriers, having as its dominant feature the protection of the insured from a transportation hazard.

304.745 FAMILY EXPENSE DISABILITY INSURANCE: Family expense disability insurance is that provided under a policy issued to one of the family members insured, who shall be deemed the policyholder, covering any two or more eligible members of a family, including husband, wife, dependent children, or any children under a specified age which shall not exceed 19 years, and any other person dependent upon the policyholder. Any authorized disability insurer may issue such insurance.

304.746 FRANCHISE PLAN: (1) Disability insurance on a franchise plan is that issued to

(a) five (5) or more employees of a common employer, or to

(b) ten (10) or more members of any bona fide association or labor union, which association or union was formed and exists for purposes other than that of obtaining insurance, and under which such employees or members, with or without their dependents, are issued individual policies which may vary as to amounts and kinds of coverage as applied for, under an arrangement whereby the premiums on the policies are to be paid to the insurer periodically by the employer, with or without payroll deductions, or by the association, or by some designated employee or officer of the association acting on behalf of the employer or association members.

(2) The term "employees" includes also the employer's officers, and the employer or partners if the employer is an individual or a partnership.

(3) An insurer may charge different rates, provide different benefits, or employ different underwriting procedure for individuals insured under a franchise plan, if such rates, benefits, or procedures as used do not unfairly discriminate as between individuals or plans having substantially like insuring, risk, and exposure factors, or expense elements, and do not unfairly discriminate as between individuals insured under franchise plans and individuals otherwise insured under similar policies, taking into consideration the insuring, risk and exposure factors, and expense elements.

304.748 INSTALLMENT SETTLEMENTS: The requirement for the payment of the accidental death benefit of a disability insurance contract within the period set forth in Standard Provision No. 9 of the policy as prescribed by KRS 304.722 shall be deemed complied with by payment of such benefit in installments in compliance with the following conditions:

(1) The policy shall provide for the payment of such benefit to a named beneficiary in specified installments, as elected in writing by the insured during his lifetime or by the beneficiary, and which election is made a part of the policy.

(2) If such election for payment of the benefit in installments

was made by the insured, the benefit shall not be subject to commutation, or to alienation by the beneficiary.

(3) If no such election was made by the insured during his lifetime or by the beneficiary, then indemnity may be made payable upon such terms and conditions and subject to such restrictions as may be agreed to in writing by the insurer and the beneficiary.

(4) The first of such installments shall be payable, and shall actually be paid to the beneficiary, within the period designated for payment of indemnities generally under such Standard Provision No. 9.

304.749 INCONTESTABILITY AFTER REINSTATEMENT: The reinstatement of any policy of noncancellable disability insurance, or of any disability policy containing a provision for incontestability, or a provision of similar nature, hereafter delivered or issued for delivery in this state shall be contestable only on account of fraud or misrepresentation of facts material to the reinstatement and only for the same period following reinstatement as is provided in the policy with respect to the contestability thereof after the original issuance of the policy.

ARTICLE NINETEEN

GROUP AND BLANKET DISABILITY INSURANCE

304.670 GROUP DISABILITY INSURANCE DEFINED: (1) Group disability insurance is that form of disability insurance covering groups of employees, members, or employees of members, with or without one or more members of their families or one or more dependents, provided by a master policy issued to: (a) an employer, or a trustee appointed by an employer; or

(b) an association, including a labor union, formed for purposes other than obtaining such insurance; or

(c) trustees of a fund established by two or more employers or labor unions or by one or more employers and one or more labor unions; or

(d) any other substantially similar group which, in the discretion of the commissioner, may be subject to the issuance of group disability insurance.

(2) Group disability insurance may also be issued to such other groups as would come within the definition of group life insurance under this code.

304.761 "EMPLOYEES" — "EMPLOYER" DEFINED: The term "employees" as used in this article shall be deemed to include as employees of a single employer, the compensated officers, managers, and employees of the employer and of subsidiary or affiliated corporations of a corporation employer, and the individual proprietors, partners, and employees of individuals and firms of which the business is under common control through stock ownership, contract or otherwise. The policy may provide that the term "employees" shall include the individual proprietor or partners if the employer is an individual proprietor or a partnership. The term "employees" as used in this article shall be deemed to include retired employees. The term "employer" as used in this article shall be deemed to include any municipal corporation or governmental unit, agency or department thereof as well as private individuals, firms, corporations and other persons.

304.765 "BLANKET" DISABILITY INSURANCE DEFINED: (1) Any policy or contract of disability insurance which conforms with the description and complies with the requirements contained in one of the following eight (8) items shall be deemed a blanket disability insurance policy:

(a) A policy issued to any common carrier or passengers, which carrier shall be deemed the policyholder, covering a group defined as all persons who may become such passengers, and whereby such passengers shall be insured against loss or damage resulting from death or bodily injury either while, or as a result of, being such passengers.

(b) A policy issued in the name of any volunteer fire department, first aid or ambulance squad or volunteer police organization, which shall be deemed the policyholder, and covering all the members of any such organization against loss from accidents resulting from hazards incidental to duties in connection with such organi zations.

(c) A policy issued in the name of any established organization whether incorporated or not, having community recognition and operated for the welfare of the community and its members and

not for profit, which shall be deemed the policyholder, and covering all volunteer workers who serve without pecuniary compensation and the members of the organization, against loss from accidents occurring while engaged in the actual performance of duties on behalf of such organization or in the activities thereof.

(d) A policy issued to an employer, who shall be deemed the policyholder, covering any group of employees defined by reference to exceptional hazards incident to such employment, insuring such employees against death or bodily injury resulting while, or from, being exposed to such exceptional hazards.

(e) A policy covering students or employees issued to a college, school, or other institution of learning or to the head or principal thereof, who or which shall be deemed the policyholder.

(f) Under a policy or contract issued to a creditor, who shall be deemed the policyholder, to insure debtors of the creditor.

(g) Under a policy or contract issued to a sports team or to a camp, which team or camp sponsor shall be deemed the policyholder, covering members or campers.

(h) Under a policy or contract issued to any other substantially similar group which, in the discretion of the commissioner, may be subject to the issuance of a blanket sickness and accident policy or contract.

(2) Nothing contained in this section shall be deemed to affect the liability of policyholders for the death of or injury to, any such member of such group.

(3) Individual applications shall not be required from individuals covered under a blanket disability insurance contract.

304.767 STANDARD PROVISIONS, GROUP, BLANKET POLICIES: Every policy of group or blanket disability insurance shall contain in substance the provisions as set forth in KRS 304.768 to 304.771 inclusive, or provisions which in the opinion of the commissioner are more favorable to the individual insured, or at least as favorable to such individuals and more favorable to the policyholder. No such policy of group or blanket disability insurance shall contain any provision relative to notice or proof of loss, or to the time for paying benefits, or to the time within which suit may

be brought upon the policy, which in the opinion of the commissioner is less favorable to the individuals insured than would be permitted by the standard provisions required for individual disability insurance policies.

304.768 THE CONTRACT, REPRESENTATIONS: There shall be a provision that all statements made by the policyholder or by the individuals insured shall in the absence of fraud be deemed representations and not warranties, and that no statement made in the application by the policyholder shall be used in any contest unless a copy of the application, if any, of the policyholder shall be attached to the policy when issued, and that no statement made by any individual insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such individual or to his beneficiary if any.

304.769 PAYMENT OF PREMIUMS: There shall be a provision that all premiums due under the policy shall be payable by the policyholder to the insurer on or before the due date thereof with such period of grace as may be specified therein.

304.770 CERTIFICATES: In group disability insurance policies there shall be a provision that the insurer shall issue to the employer, the policyholder, or other person or association in whose name such policy is issued, for delivery to each insured employee or member, an individual certificate setting forth in summary form a statement of the essential features of the insurance coverage, and to whom the benefits thereunder are payable. If family members are insured, only one certificate need be issued for each family. This section shall not apply to blanket disability insurance policies.

304.771 AGE LIMITATIONS: There shall be a provision specifying the ages, if any there be, to which the insurance provided therein shall be limited; and the ages, if any there be, for which additional restrictions are placed on benefits, and the additional restrictions placed on the benefits at such ages.

304.775 EXAMINATION AND AUTOPSY: There may be a provision that the insurer shall have the right and opportunity to examine the person of any individual covered by the policy when and so often as it may reasonably require during the pendency of claim under the policy and also the right and opportunity to make an autopsy in case of death unless prohibited by law.

304.778 PAYMENT OF BENEFITS: (1) The benefits payable under any policy or contract of group or blanket disability insurance shall be payable to the employee or other insured member of the group or to the beneficiary designated by him, other than the policyholder, employer or the association or any officer thereof as such, subject to provisions of the policy in the event the claimant is insane or otherwise incompetent, or in event there is no designated beneficiary as to all or any part of any sum payable at the death of the individual insured.

(2) Any group or blanket disability policy may provide that all or any portion of any indemnities provided by any such policy on account of hospital, nursing, medical or surgical services may, at the insurer's option, be paid directly to the hospital or person rendering such services; but the policy may not require that the service be rendered by a particular hospital or person. Payment so made shall discharge the insurer's obligation with respect to the amount of insurance so paid.

304.779 READJUSTMENT OF PREMIUMS—DIVIDENDS: Any contract of group disability insurance may provide for the readjustment of the rate of premium based on the experience thereunder at the end of the first year or of any subsequent year of insurance thereunder, and such readjustment may be made retroactive only for such policy year. Any refund under any plan for readjustment of the rate of premium based on the experience under group disability policies heretofore or hereafter issued, and any dividend paid under such policy may be used to reduce the employer's share of the cost of the coverage, except that if the aggregate refunds or dividends under such group disability policy and any other group policy or contract issued to the policyholder exceed the aggregate contributions of the employer toward the cost of the coverage, such excess shall be applied by the policyholder for the sole benefit of insured employees.

ARTICLE TWENTY

LIFE INSURANCE AND ANNUITIES

304.786 SCOPE OF ARTICLE: The provisions of this article apply to contracts of life insurance and annuities other than reinsurance, group life insurance, group annuities, and, except for KRS 304.817, 304.818, 304.825, and 304.828, industrial life insurance.

304.787 STANDARD PROVISIONS REQUIRED: (1) No policy of life insurance other than industrial, group and pure endowments with or without return of premiums or of premiums and interest, shall be delivered or issued for delivery in this state unless it contains in substance all of the provisions required by KRS 304.788 to KRS 304.798 inclusive. This section shall not apply to annuity contracts.

(2) Any of such provisions or portions thereof not applicable to single premium or term policies shall to that extent not be incorporated therein.

304.788 GRACE PERIOD: There shall be a provision that the insured is entitled to a grace period of one (1) month, but not less than thirty (30) days, within which the payment of any premium after the first may be made, subject at the option of the insurer to an interest charge not in excess of six per cent (6%) per annum for the number of days of grace elapsing before the payment of the premium, during which period of grace the policy shall continue in force, but in case the policy becomes a claim during the grace period before the overdue premium is paid, or the deferred premiums of the current policy year, if any, are paid, the amount of such premium or premiums with interest thereon may be deducted in any settlement under the policy.

304.789 ENTIRE CONTRACT: In all such policies other than those containing a clause making the policy incontestable from date of issue, there shall be a provision that the policy and the application therefor, if a copy thereof has been endorsed upon or attached to the policy at issue and made a part thereof, shall constitute the entire contract between the parties, and that all statements made by the applicant or by the insured, shall, in the absence of fraud, be deemed representations and not warranties.

304.790 INCONTESTABILITY: There shall be a provision that the policy shall be incontestable after it has been in force during the lifetime of the insured for a period of two (2) years from its date of issue, except for nonpayment of premiums and except, at the option of the insurer, as to provisions relative to benefits in event of disability and as to provisions which grant additional insurance specifically against death by accident or accidental means.

304.791 MISSTATEMENT OF AGE: There shall be a provision that if it is found that the age of the insured (or the age of any other individual considered in determining the premium) has been misstated, the amount payable or benefit accruing under the policy shall be such as the premium would have purchased at the correct age or ages, according to the insurer's rate at date of issue.

304.792 PARTICIPATION IN SURPLUS: (1) In all policies which provide for participation in the insurer's surplus, there shall be a provision that the policy shall so participate annually in the insurer's divisible surplus as apportioned by the insurer, except that at the option of the insurer such apportionment, if any, may be deferred to the end of the third policy year. Any policy containing provision for annual participation beginning at the end of the first policy year, may also provide that payment of the first dividend shall be subject to the payment of the premium for the next ensuing year. The person entitled thereto under any annual dividend policy shall have the right each year to have the current dividend arising from such participation either paid in cash, or applied in accordance with such other dividend option as may be specified in the policy and elected by such person. The policy shall further provide which of the options shall be effective if such person shall fail to notify the insurer in writing of his election within the period of grace allowed for the payment of premiums.

(2) This section shall not apply to paid-up nonforfeiture benefits nor to paid-up policies issued on default in payment of premiums.

304.793 POLICY LOAN: (1) Except as to term insurance, there shall be a provision that after three (3) full years' premiums have been paid thereon, the insurer at any time, while the policy is in force other than as extended term insurance, will advance, on proper assignment or pledge of the policy and on the sole security thereof, at a specified rate of interest not exceeding six per cent (6%) per annum, or if payable in advance such interest shall not exceed the rate of five and seven-tenths per cent (5.7%), a sum, which together with any interest to the end of the current policy year, shall be equal to or at the option of the person entitled thereto less than, the loan value. The policy shall provide for a loan value at least equal to the cash surrender value of the policy at the end of the current policy year less any indebtedness not already deducted in determining

such cash surrender value, less any unpaid balance of the premium for the current policy year; and that if the loan is made or repaid on a date other than the anniversary of the policy, the insurer shall be entitled to interest for the portion of the current policy year at the rate of interest specified in the policy. The policy may further provide that if the interest on the loan is not paid when due, it shall be added to and made a part of the existing indebtedness and shall bear interest at the same rate; and that if and when the total indebtedness on the policy, including interest due or accruing, equals or exceeds the amount of the loan value thereof which would otherwise exist at such time, the policy shall terminate in full settlement of such indebtedness and become void; except that it shall be stipulated in the policy that no such termination shall be effective prior to the expiration of at least thirty (30) days after notice of the pendency of the termination was mailed by the insurer to the insured and the assignee, if any, at their respective addresses last of record with the insurer.

(2) The policy shall provide that the making of any loan, other than a loan to pay premiums, may be deferred for not exceeding six (6) months after the application for the loan has been received by the insurer.

304.796 TABLE OF INSTALLMENTS: If the policy provides for payment of its proceeds in installments, a table showing the amount and period of such installments shall be included in the policy. Except, that if in the judgment of the commissioner it is not practical to include certain tables in the policy, the requirements of this section may be met as to such policy by the insurer filing such tables with the commissioner.

304.797 REINSTATEMENT: There shall be a provision that the policy may be reinstated at any time within three (3) years after the date of default in the payment of any premium, unless the policy has been surrendered for its cash value or the period of any extended insurance provided by the policy has expired, upon evidence of insurability, including good health, satisfactory to the insurer and the payment of all overdue premiums, and payment (or, within the limits permitted by the then cash values of the policy, reinstatement) of any other indebtedness to the insurer upon the policy with interest as to both premiums and indebtedness at a rate not exceeding six per cent (6%) per annum compounded annually.

304.798 SETTLEMENT ON PROOF OF DEATH: There shall be a provision that when a policy becomes a claim by the death of the insured, settlement shall be made upon receipt of due proof of death and surrender of the policy.

304.799 EXCLUDED OR RESTRICTED COVERAGE: A clause in any policy of life insurance providing that such policy shall be incontestable after a specified period shall preclude only a contest of the validity of the policy, and shall not perclude the assertion at any time of defenses based upon provisions in the policy which exclude or restrict coverage, whether or not such restrictions or exclusions are excepted in such clause.

304.801 ANNUITIES AND PURE ENDOWMENT CONTRACTS—STANDARD PROVISIONS REQUIRED: No annuity or pure endowment contract, other than reversionary annuities, or survivorship annuities, or group annuities, shall be delivered or issued for delivery in this state unless it contains in substance each of the provisions specified in KRS 304.802 to 304.808 inclusive. Any of such provisions not applicable to single premium annuities or single premium pure endowment contracts shall not, to that extent, be incorporated therein.

This section shall not apply to contracts for annuities included in, or upon the lives of beneficiaries under, life insurance policies.

304.802 ANNUITIES AND PURE ENDOWMENT CONTRACTS—GRACE PERIOD: In such contracts, there shall be a provision that there shall be a period of grace of one (1) month, but not less than thirty (30) days, within which any stipulated payment to the insurer falling due after the first may be made, subject at the option of the insurer, to an interest charge thereon at a rate to be specified in the contract but not exceeding six per cent (6%) per annum for the number of days of grace elapsing before such payment, during which period of grace, the contract shall continue in full force; but in case a claim arises under the contract on account of death prior to expiration of the period of grace before the overdue payment to the insurer of the deferred payments of the current contract year, if any, are made, the amount of such payments, with interest on any overdue payments, may be deducted from any amount payable under the contract in settlement.

304.803 ANNUITIES AND PURE ENDOWMENT CONTRACTS—INCONTESTABILITY: If any statements, other than those relating to age, sex, and identity, are required as a condition to issuing such an annuity or pure endowment contract, and subject to KRS 304.805, there shall be a provision that the contract shall be incontestable after it has been in force during the lifetime of the person or of each of the persons as to whom such statements are required, for a period of two (2) years from its date of issue, except for nonpayment of stipulated payments to the insurer; and at the option of the insurer, such contract may also except any provision relative to benefits in the event of disability and any provisions which grant insurance specifically against death by accident or accidental means.

304.804 ANNUITIES AND PURE ENDOWMENT CONTRACTS—THE ENTIRE CONTRACT: In such contracts there shall be a provision that the contract shall constitute the entire contract between the parties, or, if a copy of the application is endorsed upon or attached to the contract when issued, a provision that the contract and the application therefor shall constitute the entire contract between the parties.

304.805 ANNUITIES AND PURE ENDOWMENT CONTRACTS—MISSTATEMENTS OF AGE OR SEX: In such contracts there shall be a provision that if the age or sex of the person or persons upon whose life or lives the contract is made, or of any of them has been misstated, the amount payable or benefit accruing under the contract shall be such as the stipulated payment or payments to the insurer would have purchased according to the correct age or sex; and that if the insurer shall make or has made any overpayment or overpayments on account of any such misstatement, the amount thereof, with interest at the rate to be specified in the contract but not exceeding (6%) per annum, may be charged against the current or next succeeding payment or payments to be made by the insurer under the contract.

304.806 ANNUITIES AND PURE ENDOWMENT CONTRACTS—DIVIDENDS: If such contract is participating, there shall be a provision that the insurer shall annually ascertain and apportion any divisible surplus accruing on the contract.

304.808 ANNUITIES AND PURE ENDOWMENT CONTRACTS—REINSTATEMENT: In such contracts there shall be

a provision that the contract may be reinstated at any time within one (1) year from the date of default in making stipulated payments to the insurer, unless the cash surrender value has been paid, but all overdue stipulated payments and any indebtedness to the insurer on the contract shall be paid or reinstated, with interest thereon at a rate to be specified in the contract but not exceeding six per cent (6%) per annum compounded annually, and in cases where applicable, the insurer may also include a requirement of evidence of insurability satisfactory to the insurer.

304.811 REVERSIONARY ANNUITIES—STANDARD PROVISIONS REQUIRED: No contract for a reversionary annuity shall be delivered or issued for delivery in this state unless it contains in substance each of the provisions specified in KRS 304.812 and 304.813. Any of such provisions not applicable to single premium annuities shall not, to that extent, be incorporated therein.

This section shall not apply to annuities included in life insurance policies.

304.812 REVERSIONARY ANNUITIES—PROVISIONS SAME AS FOR OTHER ANNUITIES: Any such reversionary annuity contract shall contain the provisions specified in KRS 304.802 to 304.806 inclusive, except that under KRS 304.802 the insurer may at its option provide for an equitable reduction of the amount of the annuity payments in settlement of an overdue or deferred payment in lieu of providing for a deduction of such payments from an amount payable upon a settlement under the contract.

304.813 REVERSIONARY ANNUITIES—REINSTATEMENT: In such reversionary annuity contracts there shall be a provision that the contract may be reinstated at any time within three (3) years from the date of default in making stipulated payments to the insurer, upon production of evidence of insurability, including good health, satisfactory to the insurer, and upon condition that all overdue payments and any indebtedness to the insurer on account of the contract be paid, or, within the limits permitted by the then cash values of the contract, reinstated, with interest as to both payments and indebtedness at a rate to be specified in the contract but not exceeding six per cent (6%) per annum compounded annually.

304.817 LIMITATION OF LIABILITY: (1) The insurer

may in any life insurance policy or annuity or pure endowment contract limit its liability in event only of death occurring:

(a) As a result of war, or any act of war, declared or undeclared, or of service in the military, naval or air forces or in civilian forces auxiliary thereto, or from any cause while a member of any such military, naval or air forces of any country at war, declared or undeclared.

(b) As a result of suicide of the insured, whether sane or insane, within two (2) years from date of issue of the policy.

(c) As a result of aviation under conditions specified in the policy.

(d) Within two (2) years from date of issue of the policy as a result of a specified hazardous occupation or occupations or while the insured is resident in a specified foreign country or countries.

(2) An insurer may specify conditions pertaining to the items of subsection (1) of this section which in the commissioner's opinion are more favorable to the policyholder.

(3) If the liability of the insurer is limited as provided in subsections (1) or (2) of this section, the amount payable in the event of death under circumstances to which any such limitation is applicable shall be a determinable amount not less than a reserve for the life insurance and any endowment benefits of the policy determined by the method prescribed in the minimum standard required by law, and computed according to the mortality table and interest rate specified in the policy for the calculation of nonforfeiture benefits (or if the policy provides no such benefits, computed according to a table and interest rate determined by the insurer and specified in the policy) with adjustment for indebtedness or dividend credits.

(4) The right of the insurer to limit its liability with respect to any sums payable or any benefits provided in event the insured is disabled or suffers dismemberment, or with respect to any additional sums payable or additional benefits provided in event death of the insured is caused by accident or accidental means, shall not be subject to nor be limited or affected by this section.

304.818 INCONTESTABILITY AFTER REINSTATEMENT: The reinstatement of any policy of life insurance or contract of an-

nuity hereafter delivered or issued for delivery in this state may be contestable on account of fraud or misrepresentation of facts material to the reinstatement only for the same period following reinstatement as the policy provides with respect to contestability after original issuance.

304.820 POLICY SETTLEMENTS: Any life insurer shall have the power to retain under agreement the proceeds of any policy issued by it, upon such terms and restrictions as to revocation by the policyholder and control by beneficiaries, and with such exemptions from the claims of creditors of beneficiaries other than the policyholder as set forth in the policy or as agreed to in writing by the insurer and the policyholder. Upon maturity of a policy in the event the policyholder has made no such agreement, the insurer shall have the power to retain the proceeds of the policy under an agreement with the beneficiaries. The insurer may retain such proceeds as part of its general assets.

304.823 MISCELLANEOUS PROCEEDS: Upon the death of the insured and except as is otherwise expressly provided by the policy, a life insurer may pay to the surviving spouse, children, beneficiary, or other person other than the insured's estate, appearing to the insurer to be equitably entitled thereto, sums then held by it and comprising:

(1) Premiums paid in advance but not due prior to such death, or funds held on deposit for the payment of future premiums.

(2) Dividends theretofore declared on the policy and held by the insurer under the insured's option.

(3) Dividends becoming payable on or after the death of the insured.

304.825 PROHIBITED POLICY PLANS: No life insurer shall hereafter issue for delivery or deliver in this state any life insurance policy:

(1) Issued under any plan for the segregation of policyholders into mathematical groups and providing benefits for a surviving policyholder of a group arising out of the death of another policyholder of such group, or under any other similar plan.

(2) Providing benefits or values for surviving or continuing

policyholders contingent upon the lapse or termination of the policies of other policyholders, whether by death or otherwise.

304.828 STANDARD NON-FORFEITURE LAW: (1) No policy of life insurance except as stated in subsection (6), shall be issued or delivered in this state unless it shall contain in substance the following provisions, or corresponding provisions which in the opinon of the commissioner are at least as favorable to the defaulting or surrendering policyholder:

(a) That, in the event of default in any premium, the insurer will grant, upon proper request not later than sixty days after the due date of the premium in default, a paid-up non-forfeiture benefit on a plan stipulated in the policy, effective as of such due date, of such value as may be hereinafter specified.

(b) That, upon surrender of the policy within sixty days after the due date of any premium payment in default after premiums have been paid for at least three full years in the case of ordinary insurance or five full years in the case of industrial insurance, the insurer will pay, in lieu of any paid-up non-forfeiture benefit, a cash surrender value of such amount as may be hereinafter specified.

(c) That a specified paid-up non-forfeiture benefit shall become effective as specified in the policy unless the person entitled to make such election elects another available option not later than sixty days after the due date of the premium in default.

(d) That, if the policy shall have become paid up by completion of all premium payments or if it is continued under any paid-up non-forfeiture benefit which became effective on or after the third policy anniversary in the case of ordinary insurance or the fifth policy anniversary in the case of industrial insurance, the company will pay, upon surrender of the policy within thirty days after any policy anniversary, a cash surrender value of such amount as may be hereinafter specified.

(e) A statement of the mortality table and interest rate used in calculating the cash surrender values and the paid-up non-forfeiture benefits available under the policy, together with a table showing the cash surrender value, if any, and paid-up non-forfeiture benefit, if any, available under the policy on each policy anniversary either during the first twenty policy years or during the term of the

policy, whichever is shorter, such values and benefits to be calculated upon the assumption that there are no dividends or paid-up additions credited to the policy and that there is no indebtedness to the insurer on the policy.

(f) A statement of the method to be used in calculating the cash surrender value and the paid-up non-forfeiture benefit available under the policy on any policy anniversary beyond the last anniversary for which such values and benefits are consecutively shown in the policy with an explanation of the manner in which the cash surrender values and the paid-up non-forfeiture benefits are altered by the existence of any paid-up additions credited to the policy or any indebtedness to the insurer on the policy.

Any of the foregoing provisions or portions thereof not applicable by reason of the plan of insurance may, to the extent inapplicable, be omitted from the policy. The insurer shall reserve the right to defer the payment of any cash surrender value for a period of six months after demand therefor with surrender of the policy.

(2) Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary, whether or not required by subsection (1), shall be an amount not less than the excess, if any, of the present value, on such anniversary, of the future guaranteed benefits which would have been provided for by the policy, including any existing paid-up additions, if there had been no default, over the sum of (a) the then present value of the adjusted premiums as defined in subsection (4), corresponding to premiums which would have fallen due on and after such anniversary, and (b) the amount of any indebtedness to the insurer on the policy. Any cash surrender value available within thirty days after any policy anniversary under any policy paid up by completion of all premium payments or any policy continued under any paid-up non-forfeiture benefit, whether or not required by subsection (1), shall be an amount not less than the present value, on such anniversary, of the future guaranteed benefits provided for by the policy, including any existing paid-up additions, decreased by an indebtedness to the insurer on the policy.

(3) Any paid-up non-forfeiture benefit available under the policy in the event of default in a premium payment due on any policy anniversary shall be such that its present value as of such an-

niversary shall be at least equal to the cash surrender value then provided for by the policy or, if none is provided for, that cash surrender value which would have been required by this section in the absence of the condition that premiums shall have been paid for at least a specified period.

(4) The adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding any extra premiums charged because of impairment or special hazards, that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of (a) the then present value of the future guaranteed benefits provided for by the policy; (b) two percent of the amount of insurance, if the insurance be uniform in amount, or of the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with duration of the policy; (c) forty percent of the adjusted premium for the first policy year; (d) twenty-five percent of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance, whichever is less. Provided, however, that in applying the percentages specified in (c) and (d) above, no adjusted premium shall be deemed to exceed four percent of the amount of insurance or level amount equivalent thereto. The date of issue of a policy for the purpose of this subsection shall be the date as of which the rated age of the insured is determined. In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent uniform amount thereof for the purpose of this subsection shall be deemed to be the level amount of insurance provided by an otherwise similar policy, containing the same endowment benefit or benefits, if any, issued at the same age and for the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the date of issue as the benefits under the policy, provided however, that in the case of a policy providing a varying amount of insurance issued on the life of a child under age ten, the equivalent uniform amount may be computed as though the amount of insurance provided by the policy prior to the attainment of age ten were the amount provided by such policy at age ten, or at expiry, if earlier. All adjusted premiums and present values re-

ferred to in this section shall be calculated on the basis of the Commissioners' 1941 Standard Ordinary Mortality Table for ordinary insurance and the 1941 Standard Industrial Mortality Table for industrial insurance and the rate of interest, not exceeding three and one-half percent per annum specified in the policy for calculating cash surrender values and paid-up non-forfeiture benefits. Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a non-forfeiture benefit, the rates of mortality assumed may be not more than one hundred and thirty percent of the rates of mortality according to such applicable table. Provided, further, that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table or mortality as may be specified by the insurer and approved by the commissioner.

(5) Any cash surrender value and any paid-up non-forfeiture benefit, available under the policy in the event of default in a premium payment due at any time other than on the policy anniversary, shall be calculated with allowance for the lapse of the time and payment of fractional premiums beyond the last preceding policy anniversary. All values referred to in subsections (2), (3) and (4) may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death. The net value of any paid-up additions, other than paid-up term additions, shall be not less than the dividends used to provide such additions. Notwithstanding the provisions of subsection (2), additional benefits payable (a) in the event of death or dismemberment by accident or accidental means, (b) in the event of total and permanent disability, (c) as reversionary annuity or deferred reversionary annuity benefits, (d) as term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a separate policy, this section would not apply, and (e) as other policy benefits additional to life insurance and endowment benefits, and premiums for all such additional benefits, shall be disregarded in ascertaining cash surrender values and non-forfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up non-forfeiture benefits.

(6) This section shall not apply to any reinsurance, group insurance, pure endowment, annuity or reversionary annuity contract, nor to any term policy of uniform amount, or renewal thereof, of

fifteen years or less expiring before age sixty-six, for which uniform premiums are payable during the entire term of the policy, nor to any term policy of decreasing amount on which each adjusted premium, calculated as specified in subsection (4) is less than the adjusted premium so calculated, on such fifteen-year term policy issued at the same age and for the same initial amount of insurance, nor to any policy which shall be delivered outside this state through an agent or other representative of the insurer issuing the policy.

(7) In construing the provisions of this section, "ordinary insurance" or "insurance upon the ordinary plan" shall be considered to be insurance that may be paid for by a single premium, by annual premiums or by semi-annual or quarterly or other installments thereon at the option of the insurer; and "industrial insurance" shall be considered to be insurance as defined in KRS 304.872.

(8) Any condition or stipulation in the policy of insurance or elsewhere contrary to the provisions of this section, and any waiver of such provisions by the assured, shall be void.

(9) If any insurer shall have filed with the commissioner after June thirteenth, nineteen hundred and forty-four, a written notice of its election to comply with the provisions of this section after a specified date before the first day of January, nineteen hundred and forty-eight, then upon such specified date (which shall be the operative date for such insurer) this section shall have become operative with respect to the policies thereafter issued by such insurer. If any insurer shall not have made such an election, the operative date of this section for such insurer shall be January first, nineteen hundred forty-eight.

304.832 DEPOSIT OF RESERVES BY DOMESTIC LIFE INSURERS: (1) Except as provided in subsections (2) and (3) of this section, every domestic life insurer shall, within ninety days after the net cash value of each policy in force has been ascertained as required by law, deposit with the custodian of insurance securities for the security and benefit of its policyholders, assets in an amount which, together with such sums as may be deposited by it with other states and governments by the requirements of their laws, shall be not less than the ascertained valuation of all policies in force, less any sums that it has advanced from its legal reserve to its policy-

holders on the pledge to it of their policies and any accumulations thereon.

(2) If the legal reserve or the aggregate ascertained valuation of all policies in force in any domestic life insurer equals twenty million dollars, no further deposit shall be required of the insurer so long as the legal reserve remains at or above twenty million dollars, unless the insurer elects to represent on its policies or otherwise that the legal reserve or cash value of its policies thereafter written is on deposit with this state or one or more of its designated agencies, in which event the insurer shall deposit assets as above set out in an amount equal to the ascertained valuation of all of its policies in force at the time the representation is made.

ARTICLE TWENTY-ONE

GROUP LIFE INSURANCE

304.838 MUST MEET GROUP REQUIREMENTS: (1) No contract of life insurance shall be delivered in this state insuring the lives of more than one individual unless to one of the groups as provided for in this article, and unless in compliance with the other provisions of this article.

(2) Subsection (1) of this section shall not apply to contracts of life insurance

(a) insuring only individuals related by marriage, by blood, or by legal adoption; or

(b) insuring only individuals having a common interest through ownership of a business enterprise, or of a substantial legal interest or equity therein, and who are actively engaged in the management thereof, or

(c) insuring only individuals otherwise having an insurable interest in each other's lives.

304.839 EMPLOYEE GROUPS: The lives of a group of individuals may be insured under a policy issued to an employer, or to the trustees of a fund established by an employer, which employer or trustee is deemed the policyholder, insuring employees of the employer for the benefit of persons other than the employer, subject to the following requirements:

(1) The employees eligible for insurance under the policy shall be all of the employees of the employer, or all of any class or classes thereof determined by conditions pertaining to their employment. The policy may provide that the term "employees" shall include the employees of one or more subsidiary corporations, and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietors or partnerships if the business of the employer and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract, or otherwise. The policy may provide that the term "employees" shall include the individual proprietor or partners if the employer is an individual proprietor or a partnership. The policy may provide that the term "employees" shall include retired employees. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employee of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership.

(2) The premium for the policy shall be paid by the policyholder, either wholly from the employer's funds or funds contributed by him, or partly from such funds and partly from funds contributed by the insured employees, except that the entire premium may be paid from funds contributed by the insured employees if the amount of insurance does not exceed one thousand dollars ($1,000) on the life of any employee. A policy on which any part of the premium is to be derived from funds contributed by the insured employees may be placed in force only if at least seventy-five per cent (75%) of the then eligible employees, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured employees must insure all eligible employees, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at least twenty-five (25) employees at date of issue.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the employees or by the employer or trustees. No policy may be issued which provides term insurance on any employee which together with any other term insurance under any group life insurance policy or policies issued to the employers or any of them or to the trustees of a fund established in whole or in part by the employers or any of them exceeds twenty thousand dollars ($20,000).

304.841 DEBTOR GROUPS: The lives of a group of individuals may be insured under a policy issued to a creditor, who shall be deemed the policyholder, to insure debtors of the creditor, subject to the following requirements:

(1) The debtors eligible for insurance under the policy shall be all of the debtors of the creditor whose indebtedness is repayable in installments, or all of any class or classes thereof determined by conditions pertaining to the indebtedness or to the purchase giving rise to the indebtedness. The policy may provide that the term "debtor" shall include the debtors of one or more subsidiary corporations, and the debtors of one or more affiliated corporations, proprietors or partnerships if the business of the policyholder and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract, or otherwise.

(2) The premium for the policy shall be paid by the policyholder, either from the creditor's fund, or from charges collected from the insured debtors, or from both. A policy on which part or all of the premium is to be derived from the collection from the insured debtors of identifiable charges not required of uninsured debtors shall not include, in the class or classes of debtors eligible for insurance, debtors under obligations outstanding at its date of issue without evidence of individual insurability unless at least seventy-five per cent (75%) of the then eligible debtors elect to pay the required charges. A policy on which no part of the premium is to be derived from the collection of such identifiable charges must insure all eligible debtors, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The amount of insurance on the life of any debtor shall at no time exceed the amount owed by him which is repayable in installments to the creditor.

(4) The insurance shall be payable to the policyholder. Such payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment.

304.842 LABOR UNION GROUPS: The lives of a group of individuals may be insured under a policy issued to a labor union, which shall be deemed the policyholder, to insure members of such union for the benefit of persons other than the union or any of its officials, representatives or agents, subject to the following requirements:

(1) The members eligible for insurance under the policy shall be all of the members of the union, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the union, or both.

(2) The premium for the policy shall be paid by the policyholder, either wholly from the union's funds, or partly from such funds and partly from funds contributed by the insured members specifically for their insurance. No policy may be issued on which the entire premium is to be derived from funds contributed by the insured members specifically for their insurance. A policy on which part of the premium is to be derived from funds contributed by the insured members specifically for their insurance may be placed in force only if at least seventy-five per cent (75%) of the then eligible members, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at least twenty-five (25) members at date of issue.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members or by the union. No policy may be used which provides term insurance on any union member which, together with any other term insurance under any group life insurance policies issued to the union, exceeds twenty thousand dollars ($20,000).

304.843 PUBLIC EMPLOYEE ASSOCIATIONS: The lives of a group of individuals may be insured under a policy issued to an association of public employees formed for the purposes other than obtaining insurance and having, when the policy is placed in force, a membership in the classes eligible for insurance of not less than seventy-five per cent (75%) of the number of employees eligible for membership in such classes, which association shall be deemed the policyholder, to insure members of such association for the benefit of persons other than the association or any of its officials, subject to the following requirements:

(1) The persons eligible for insurance under the policy shall be all of the members of the association, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the association, or both.

(2) The premium for the policy shall be paid by the policyholder, either from the association's own funds, or from charges collected from the insured members specifically for the insurance, or from both. Any charges collected from the insured members specifically for the insurance, and the dues of the association if they include the cost of insurance, shall be collected through deductions by the employer from the salaries of the members. Such deductions from salary may be paid by the employer to the association or directly to the insurer. No policy may be placed in force unless and until at least seventy-five per cent (75%) of the then eligible members of the association, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, have elected to be covered and have authorized their employer to make the required deductions from salary.

(3) Charges collected from the insured members specifically for the insurance, and the dues of the association if they include the cost of insurance, shall be determined according to each attained age or in not less than four (4) reasonably spaced attained age groups. In no event shall the rate of such dues or charges be level for all members regardless of attained age.

(4) The policy must cover at least fifty (50) persons at date of issue.

(5) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the mem-

bers or by the association. Such amounts shall in no event exceed three thousand dollars ($3,000) in the case of any member, and shall not exceed five hundred dollars ($500) in the case of retired members and members over age sixty-five (65).

As used herein, "public employees" means employees of the United States government, or of any state, or of any political subdivision or instrumentality of any of them.

304.844 TRUSTEE GROUPS: The lives of a group of individuals may be insured under a policy issued to the trustees of a fund established by two or more employers in the same industry or by one or more labor unions, or by one or more employers and one or more labor unions, which trustees shall be deemed the policyholder, to insure employees of the employers or members of the unions for the benefit of persons other than the employers or the unions, subject to the following requirements:

(1) The persons eligible for insurance shall be all of the employees of the employers or all of the members of the union, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the unions, or to both. The policy may provide that the term "employees" shall include retired employees, and the individual proprietor or partners if an employer is an individual proprietor or a partnership. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employee of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership. The policy may provide that the term "employees" shall include the trustees or their employees, or both, if their duties are principally connected with such trusteeship.

(2) The premium for the policy shall be paid by the trustees either (a) wholly from funds contributed by the employer or employees of the insured persons, or by the union or unions, or by both, or (b) partly from such funds and partly from funds contributed by the insured employees or members. No policy may be issued under the provisions of this section on which the entire premium is to be derived from funds contributed by the insured employees or mem-

bers. A policy on which part of the premium is to be derived from funds contributed by the insured employees or members may be placed in force only if at least seventy-five per cent (75%) of the then eligible employees of any employer unit participating in the trust, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured employees or members, must insure all eligible employees or members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at date of issue at least 100 persons and not less than an average of five persons per employer unit; and if the fund is established by the members of an association of employers the policy may be issued only if (i) either (a) the participating employers constitute at date of issue at least 60% of those employer members whose employees are not already covered from group life insurance or (b) the total number of persons covered at date of issue exceeds 600; and (ii) the policy shall not require that, if a participating employer discontinues membership in the association, the insurance of his employees shall cease solely by reason of such discontinuance.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the insured persons or by the policyholder, employers or unions. No policy may be issued which provides term insurance on any person which together with any other term insurance under any group life insurance policy or policies issued to the employers, or any of them, or to the trustees of a fund established in whole or in part by the employers, or any of them, exceeds $20,000.

304.845 AGENT GROUPS: The lives of a group of individuals may be insured under a policy issued to a principal, or if such principal is a life insurer, by or to such principal, covering when issued not less than twenty-five (25) agents of such principal, subject to the following requirements:

(1) The agents eligible for insurance under the policy shall be those who are under contract to render personal services for such principal, for a commission or other fixed or ascertainable compensation.

(2) The policy must insure either all of the agents or all of any class or classes thereof, determined by conditions pertaining to the services to be rendered by such agents, except that if a policy is intended to insure several such classes it may be issued to insure any such class of which seventy-five per cent (75%) are covered and extended to other classes as seventy-five per cent (75%) thereof express the desire to be covered.

(3) The premium on the policy shall be paid by the principal or by the principal and the agents jointly. When the premium is paid by the principal and agents jointly and the benefits of the policy are offered to all eligible agents, the policy, when issued, must insure not less than seventy-five per cent (75%) of such agents.

(4) The amounts of insurance shall be based upon some plan which will preclude individual selection.

(5) The insurance shall be for the benefit of persons other than the principal.

(6) For the purposes of this section the term "agents" shall be deemed to include agents, subagents, solicitors, and salesmen.

304.846 KENTUCKY STATE POLICE: The lives of a group of individuals may be insured under a policy issued to the commanding officer, which commanding officer shall be deemed to be the policyholder, to insure not less than twenty-five (25) of the members of the Kentucky State Police. Such policy shall be for the benefit of beneficiaries as designated by the individual so insured, and the premium thereon may be paid by such members. Not less than seventy-five per cent (75%) of all eligible members of such Kentucky State Police, or of any unit thereof determined by the conditions pertaining to their employment, may be so insured.

304.848 STANDARD PROVISIONS REQUIRED: No policy of group life insurance shall be delivered in this state unless it contains in substance the standard provisions as required by KRS 304.849 to 304.858 inclusive, or provisions which in the opinion of the commissioner are more favorable to the individuals insured, or at least as favorable to such individuals and more favorable to the policyholder; except, that:

(1) Provisions set forth in KRS 304.854 to 304.858 inclusive shall not apply to policies issued to a creditor to insure its debtors.

(2) If the group life insurance policy is on a plan of insurance other than the term plan, it shall contain a nonforfeiture provision or provisions which in the opinion of the commissioner is or are equitable to the insured persons and to the policyholder, but such nonforfeiture benefits are not required to be the same as those required for individual life insurance policies.

304.849 GROUP LIFE—STANDARD PROVISION—GRACE PERIOD: There shall be a provision that the policyholder is entitled to a grace period of thirty-one (31) days for the payment of any premium due except the first, during which grace period the death benefit coverage shall continue in force, unless the policyholder has given the insurer written notice of discontinuance in advance of the date of discontinuance and in accordance with the terms of the policy. The policy may provide that the policyholder shall be liable to the insurer for the payment of a *pro rata* premium for the time the policy was in force during such grace period.

304.850 GROUP LIFE—STANDARD PROVISION—INCONTESTABILITY: There shall be a provision that the validity of the policy shall not be contested, except for nonpayment of premiums, after it has been in force for two (2) years from its date of issue; and that no statement made by an individual insured under the policy relating to his insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of two (2) years during such individual's lifetime nor unless it is contained in a written instrument signed by him.

304.851 GROUP LIFE—STANDARD PROVISION—THE CONTRACT—REPRESENTATIONS: There shall be a provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued; that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties, and that no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or to his beneficiary.

304.852 GROUP LIFE—STANDARD PROVISION—INSURABILITY: There shall be a provision setting forth the conditions, if any, under which the insurer reserves the right to require a person

eligible for insurance to furnish evidence of individual insurability satisfactory to the insurer as a condition to part or all of his coverage.

304.853 GROUP LIFE—STANDARD PROVISION—MISSTATEMENT OF AGE: There shall be a provision specifying an equitable adjustment of premiums or of benefits or of both to be made in the event the age of a person insured has been misstated, such provision to contain a clear statement of the method of adjustment to be used.

304.854 GROUP LIFE—STANDARD PROVISION—BENEFICIARY: There shall be a provision that any sum becoming due by reason of the death of the individual insured shall be payable to the beneficiary designated by such individual, subject to the provisions of the policy in the event there is no designated beneficiary, as to all or any part of such sum, living at the death of the individual insured and subject to any right reserved by the insurer in the policy and set forth in the certificate to pay at its option a part of such sum not exceeding two hundred and fifty dollars ($250) to any person appearing to the insurer to be equitably entitled thereto by reason of having incurred funeral or other expenses incident to the last illness or death of the individual insured.

304.855 GROUP LIFE—STANDARD PROVISION—CERTIFICATES: There shall be a provision that the insurer will issue to the policyholder for delivery to each individual insured an individual certificate setting forth a statement as to the insurance protection to which he is entitled, to whom the insurance benefits are payable, and the rights and conditions set forth in KRS 304.856, 304.857 and 304.858 following.

304.856 GROUP LIFE—STANDARD PROVISION—CONVERSION ON TERMINATION OF ELIGIBILITY: There shall be a provision that if the insurance, or any portion of it, on an individual covered under the policy, ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such individual shall be entitled to have issued to him by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made, and the first premium paid to the insurer, within thirty-one (31) days after such termination, and provided further that,

(1) the individual policy shall, at the option of such individual, be on any one of the forms, except term insurance, then customarily issued by the insurer at the age and for the amount applied for;

(2) the individual policy shall be in an amount not in excess of the amount of life insurance which ceases because of such termination less, in the case of a person whose membership in the class or classes eligible for coverage terminates but who continues in employment in another class, the amount of any life insurance for which such person is or becomes eligible within thirty-one (31) days after such termination under any other group policy; provided that any amount of insurance which has matured on or before the date of such termination as an endowment payable to the individual insured, whether in one sum or in installments or in the form of an annuity, shall not, for the purposes of this provision, be included in the amount which is considered to cease because of such termination; and

(3) the premium on the individual policy shall be at the insurer's then customary rate applicable to the form and amount of the individual policy, to the class of risk to which such individual then belongs, and to his age attained on the effective date of the individual policy.

304.857 GROUP LIFE—STANDARD PROVISION—CONVERSION ON TERMINATION OF POLICY: There shall be a provision that if the group policy terminates or is amended so as to terminate the insurance of any class of insured individuals, every individual insured thereunder at the date of such termination, whose insurance terminates and who has been so insured for at least five (5) years prior to such termination date shall be entitled to have issued to him by the insurer an individual policy of life insurance, subject to the same conditions and limitations as are provided by KRS 304.856 above, except that the group policy may provide that the amount of such individual policy shall not exceed the smaller of (a) the amount of the individual's life insurance protection ceasing because of the termination or amendment of the group policy, less the amount of any life insurance for which he is or becomes eligible under any group policy issued or reinstated by the same or another insurer within thirty-one (31) days of such termination and (b) two thousand dollars ($2,000).

304.858 GROUP LIFE—STANDARD PROVISION—DEATH

PENDING CONVERSION: There shall be a provision that if a person insured under the group policy dies during the period within which he would have been entitled to have an individual policy issued to him in accordance with KRS 304.856 and 304.857, and before such an individual policy shall have become effective, the amount of life insurance which he would have been entitled to have issued to him under such individual policy shall be payable as a claim under the group policy, whether or not application for the individual policy or the payment of the first premium therefor has been made.

304.859 NOTICE OF CONVERSION RIGHTS: If any individual insured under a group life insurance policy hereafter delivered in this state becomes entitled under the terms of such policy to have an individual policy of life insurance issued to him without evidence of insurability, subject to making of application and payment of the first premium within the period specified in such policy, and if such individual is not given notice of the existence of such right at least 15 days prior to the expiration date of such period, then, in such event the individual shall have an additional period within which to exercise such right, but nothing herein contained shall be construed to continue any insurance beyond the period provided in such policy. Such additional period shall expire 15 days next after the individual is given such notice but in no event shall such additional period extend beyond 60 days next after the expiration date of the period provided in such policy. Written notice presented to the individual or mailed by the policyholder to the last known address of the individual or mailed by the insurer to the last known address of the individual as furnished by the policyholder shall constitute notice for the purpose of this section.

304.865 APPLICATION OF DIVIDENDS, RATE REDUCTIONS: (1) Any policy or contract of group life insurance may provide for readjustment of the rate of premium based on the experience thereunder at the end of the first year or any subsequent year of insurance thereunder, and such readjustment may be made retroactive only for such policy year.

(2) Any policy dividends hereafter declared, or reduction in rate of premiums hereafter made or continued for the first or any subsequent year of insurance, under any policy of group life insurance heretofore or hereafter issued to any policyholder may be applied

to reduce the policyholder's part of the cost of such insurance, except that if the aggregate dividends or refunds or credits under such group life policy and any other group policy or contract issued to the policyholder exceed the aggregate contributions of the policyholder toward the cost of the coverages, such excess shall be applied by the policyholder for the sole benefit of insured individuals. Violation of this provision by a policyholder shall be subject to the general penalty provided by this code.

ARTICLE TWENTY-TWO

INDUSTRIAL LIFE INSURANCE

304.871 SCOPE OF ARTICLE: The provisions of this article apply only to industrial life insurance contracts.

304.872 INDUSTRIAL LIFE INSURANCE DEFINED: "Industrial" life insurance is any life insurance provided by an individual insurance contract under which premiums are payable monthly or oftener, and bearing the words "industrial policy" printed upon the policy as a part of the descriptive matter.

304.873 COMPLIANCE REQUIRED: No policy of industrial life insurance shall be delivered or be issued for delivery in this state after January first, nineteen hundred and fifty-one, except in compliance with the provisions of this article and with other applicable provisions of this code.

304.874 STANDARD PROVISIONS REQUIRED: No such policy shall be so issued or delivered unless it contains in substance the provisions as required by this article, or provisions which in the opinion of the commissioner are at least as favorable to the policyholder.

304.875 GRACE PERIOD: There shall be a provision that the insured is entitled to a grace period of four (4) weeks within which the payment of any premium after the first may be made, except that in policies the premiums for which are payable monthly, the period of grace shall be one (1) month but not less than thirty (30) days; and that during the period of grace the policy shall continue in full force, but if during the grace period the policy becomes a claim, then any overdue and unpaid premiums may be deducted from any settlement under the policy.

304.876 ENTIRE CONTRACT: There shall be a provision that the policy shall constitute the entire contract between the parties, or, if a copy of the application is endorsed upon or attached to the policy when issued, a provision that the policy and the application therefor shall constitute the entire contract. If the application is so made a part of the contract, the policy shall also provide that all statements made by the applicant in such application shall, in the absence of fraud, be deemed to be representations and not warranties.

304.877 INCONTESTABILITY: There shall be a provision that the policy shall be incontestable after it has been in force during the lifetime of the insured for a period of two (2) years from its date of issue except for nonpayment of premiums, and except, at the option of the insurer, as to provisions providing benefits for disability or specifically for death by accident or accidental means.

304.878 MISSTATEMENT OF AGE: There shall be a provision that if it is found that the age of the individual insured, or the age of any other individual considered in determining the premium, has been misstated, any amount payable or benefit accruing under the policy shall be such as the premium would have purchased at the correct age or ages.

304.879 PARTICIPATION: If a participating policy, there shall be a provision that the insurer shall annually ascertain and apportion any divisible surplus accruing on the policy. This provision shall not prohibit the payment of additional dividends on default of payment of premiums or termination of the policy.

304.880 NONFORFEITURE BENEFITS: There shall be a provision for nonforfeiture benefits as required by KRS 304.828.

304.881 CASH SURRENDER VALUE: There shall be a provision for a cash surrender value as required by KRS 304.828.

304.882 REINSTATEMENT: There shall be a provision that the policy may be reinstated at any time within two (2) years after the date of default in the payment of any premium, unless the policy has been surrendered for its cash value or the period of any extended insurance provided by the policy has expired, upon evidence of insurability, including good health, satisfactory to the insurer and the payment of all overdue premiums, and payment (or,

within the limits permitted by the then cash values of the policy, reinstatement) of any other indebtedness to the insurer upon the policy with interest as to both premiums and indebtedness at a rate not exceeding six per cent (6%) per annum compounded annually.

304.883 SETTLEMENT: There shall be a provision that when the policy becomes a claim by the death of the insured, settlement shall be made upon surrender of the policy and receipt of due proof of death or after a specified period not exceeding two (2) months after such surrender and receipt of such proof. At the insurer's option surrender of the premium receipt book may also be required.

304.884 AUTHORITY TO ALTER CONTRACT: There shall be a provision that no agent shall have the power or authority to waive, change or alter any of the terms or conditions of any policy; except that, at the option of the insurer, the terms or conditions may be changed by an endorsement signed by a duly authorized officer of the insurer.

304.885 BENEFICIARY: (1) Each such policy shall have a space for the name of the beneficiary designated with a reservation of the right to designate or change the beneficiary after the issuance of the policy.

(2) The policy may also provide that no designation or change of beneficiary shall be binding on the insurer until endorsed on the policy by the insurer, and that the insurer may refuse to endorse the name of any proposed beneficiary who does not appear to the insurer to have an insurable interest in the life of the insured.

304.886 FACILITY OF PAYMENT CLAUSE: Such a policy may also provide that if the beneficiary designated in the policy does not surrender the policy with due proof of death within the period stated in the policy, which shall not be less than thirty (30) days after the death of the insured, or if the beneficiary is the estate of the insured or is a minor, or dies before the insured or is not legally competent to give a valid release, then the insurer may make payment thereunder to the executor or administrator of the insured, or to any of the insured's relatives by blood or legal adoption or connection by marriage, or to any person appearing to the insurer to be equitably entitled thereto by reason of having been named beneficiary, or by reason of having incurred expense for the maintenance, medical attention or burial of the insured. Such policy may

also include a similar provision applicable to any other payment due under the policy.

304.890 TITLE ON POLICY: There shall be a title on the face of each such policy briefly describing its form.

304.892 APPLICATION TO TERM AND SPECIFIED INSURANCE: Any of the provisions required by this article or any portion thereof which are not applicable to single premium or term policies or to policies issued or granted pursuant to nonforfeiture provisions, shall to that extent not be incorporated therein.

304.893 CREDITING OF DIVIDENDS: An insurer shall credit annually beginning not later than the fifth policy year, any dividend arising under a participating industrial life insurance contract.

304.894 PROHIBITED PROVISIONS: No such policy shall contain any provision giving the insurer the right to declare the policy void because the insured has had any disease or ailment, whether specified or not, or because the insured has been rejected for insurance or has received institutional, hospital, medical, or surgical treatment or attention; except, that the policy may contain a provision which gives the insurer the right to declare the policy void, either before or after claim (a) if before the date of issue of the policy the insured had any one or more of such serious diseases or ailments as is specified in such provision or (b) has been rejected for insurance or (c) if within two years before the date of issue of the policy the insured has received institutional, hospital, medical, or surgical treatment or attention, unless such disease, ailment, rejection, treatment or attention is specifically waived by an endorsement on the policy or unless the insured or claimant under the policy shows by the clear preponderance of the evidence that the specified disease or ailment or the condition occasioning such rejection, treatment or attention was not material to the risk.

304.895 LIMITATION OF LIABILITY: The insurer may in any such policy limit its liability for the same causes and to the same extent as is provided in KRS 304.817 for other life insurance contracts.

ARTICLE TWENTY-FIVE

PROPERTY INSURANCE

304.905 VALUED POLICY LAW; REAL PROPERTY: (1) Except as provided in subsection (2) of this section, insurers that take fire or storm risks on real property in this state shall, in case of total loss thereof by fire or storm, be liable for the full estimated value of the property insured, as the value thereof is fixed on the face of the policy, except that the estimated value of the property insured may be diminished to the extent of any depreciation in the value of the property occurring between the date of the policy and the loss. In case of partial loss of the property insured, the liability of the insurer shall not exceed the actual loss of the party insured. The insured shall be liable for any fraud he may practice in fixing the value of the property, if the insurer is misled thereby.

(2) Insurers of such property against fire or storm may contract with the insured that the insured shall, during the life of the policy, maintain insurance upon the property so insured to the extent of an agreed proportion of the actual cash value of the property at the time of loss, and that if the insured fails to do so, the insured shall be a co-insurer to the extent that the insurance then in force is less than the amount of the agreed proportion, and shall bear his part of any loss, as co-insurer, to that extent. The acceptance of a policy containing such a provision shall be at the option of the insured, and a reduced premium rate shall apply to the policy. No such provision shall be valid unless the agreement setting forth the terms of the provision is signed by both the insurer and the insured.

304.907 VALUED POLICY LAW, LIVESTOCK; Insurers that take life or accident risks on livestock in this state shall, in case of the death of any stock so insured, be liable for the full estimated value of the stock as fixed on the face of the policy. The insured shall be liable for any fraud he may practice in fixing the value of the property, if the insurer is misled thereby.

ARTICLE TWENTY-SIX

SURETY

304.911 REQUIREMENTS DEEMED MET BY SURETY INSURER: Whenever by law or by rule of any court, public official,

or public body, any surety bond, recognizance, obligation, stipulation or undertaking is required or is permitted to be given, any such bond, recognizance, obligation, stipulation, or undertaking which is otherwise proper and the conditions of which are guaranteed by an authorized surety insurer, or by an unauthorized surety insurer as a surplus line pursuant to article fifteen of this code ,shall be approved and accepted and shall be deemed to fulfill all requirements as to number of sureties, residence or status of sureties, and other similar requirements.

304.913 RELEASE FROM LIABILITY: A surety insurer may be released from its liability on the same terms and conditions as are provided by law for the release of individuals as sureties.

304.914 COURT BONDS, COSTS: In any proceeding the party entitled to recover costs may include therein such reasonable sum as was paid to an authorized surety insurer as premium for any bond or undertaking required therein, and as may be allowed by the court having jurisdiction of such proceeding.

ARTICLE TWENTY-SEVEN

TITLE INSURERS

304.915 SCOPE OF ARTICLE: This article relates only to title insurers.

304.916 QUALIFICATION: (1) A title insurer shall be a stock insurer.

(2) Such an insurer shall have paid-up capital stock in amount as follows:

Population of county in which business is to be transacted	*Paid-up capital required*
Less than 75,000	$ 25,000
75,000 to 100,000	50,000
Over 100,000	150,000

(3) An insurer may transact business in more than one county by having paid-up capital in the largest amount required for any one such counties.

(4) The insurer shall not be authorized to transact business until it has a guaranty fund as provided by KRS 304.920.

304.918 POWERS OF TITLE INSURER: A title insurer shall have corporate powers as set forth in KRS 271.125, and in addition shall have power to

(1) examine titles to real estate and chattels real, and to procure and furnish information relative thereto;

(2) make and guarantee the correctness of searches of all instruments, liens, or charges affecting such titles;

(3) make insurance of every kind pertaining to or connected with titles to real estate; and to make and issue such policies and other instruments as may be required to insure owners of real estate, mortgagees, and others having an interest therein, from loss by reason of liens, encumbrances, and defective titles;

(4) act as trustee under mortgages or deeds of trust executed to secure payment of bonds where the title to the real estate included in the mortgage or deed of trust has been examined and approved by the insurer; to act as agent in fact for investors in, and the holders of mortgages or deeds of trust or bonds, notes or other evidences of indebtedness mentioned in sub-section (1) of KRS 304.431 in the purchase, sale and servicing thereof;

(5) to acquire and hold, subject to KRS 271.145 and this article, such real and personal property as may be necessary or convenient for the conduct of its business, including real estate taken in satisfaction of debts due the insurer or by subrogation under its guaranties or insurance, and to sell, lease, pledge, mortgage and convey such property.

304.920 GUARANTY FUND: (1) Before issuance of its certificate of authority the insurer shall set apart not less than forty per cent (40%) of the amount of its capital stock, but in no case less than two-thirds of its minimum required capital stock, as a guaranty fund.

(2) The insurer shall invest such guaranty fund only in such investments as are eligible under article eleven of this code for funds of life insurers.

(3) The guaranty fund shall be security for the payment of losses and expenses incurred on account of the insurer's guaranties or insurance, and shall not be subject to the insurer's other liabilities so long as any such guaranties or insurance are outstanding.

(4) The insurer shall suspend issuance of new guaranties or insurance during any period in which the guaranty fund is less than the amount required by this section. The insurer's officers and directors knowingly violating this provision shall be jointly and severally liable as to losses incurred thereby.

(5) The amount of the guaranty fund shall be reported to the commissioner as part of the insurer's annual statement.

(6) The insurer's assets representing the guaranty fund shall be kept segregated from other assets.

304.922 INVESTMENTS: (1) The insurer may invest up to one-third (1/3) of its minimum required capital, and any of its surplus in such books, maps, abstracts, and other records as are requisite or convenient for transaction of its business as title insurer, and in the maintenance thereof.

(2) The insurer may invest the remainder of its funds, after meeting its guaranty fund requirements, in such investments as are eligible as investments of insurers other than life insurers under article eleven of this code, with the following modifications:

(a) The insurer may loan on security of a real estate mortgage an amount not exceeding seventy-five per cent (75%) of the value of the property mortgaged. The extent to which a mortgage loan made under item (c) or (d) of sub-section (1) of KRS 304.431 is guaranteed or insured by the Federal Housing Administration or guaranteed by the Administrator of Veterans Affairs may be deducted before application of the limitation contained in this subsection. Unless the insurer's paid-in capital and surplus exceed five hundred thousand dollars ($500,000), its real estate mortgage investments shall be restricted to mortgages secured by property located in this state.

(b) The limitations contained in KRS 304.403, sub-section (2) of KRS 304.431, sub-section (2) of KRS 304.437, KRS 304.438, and KRS 304.441 shall not apply as to such investments.

(c) The insurer shall not, without the prior approval of the commissioner, invest more than ten per cent (10%) of its assets in the stock of any corporation engaged in business as a title insurer or as a real estate mortgage company.

(3) KRS 304.448 shall apply as to title insurers.

304.923 PROHIBITION UPON GUARANTEEING MORTGAGES: An insurer shall not in any manner guarantee the payment of the principal or the interest of bonds or other obligations executed by others.

ARTICLE TWENTY-EIGHT

UNFAIR PRACTICES AND FRAUDS

304.924 DECLARATION OF PURPOSE: The purpose of this article is to regulate trade practices in the business of insurance in accordance with the intent of Congress as expressed in the Act of Congress of March 9, 1945 (Public Law 15, 79th Congress), by defining, or providing for the determination of, all such practices in this state which constitute unfair methods of competition or deceptive acts or practices and by prohibiting the trade practices so defined or determined.

304.925 UNFAIR COMPETITION; UNFAIR, DECEPTIVE PRACTICES PROHIBITED: No person shall engage in this state in any act or practice which is prohibited in this article, or which is defined in this article as, or determined pursuant to this article to be, an unfair method of competition or an unfair or deceptive act or practice in the business of insurance.

304.926 BOYCOTT, COERCION AND INTIMIDATION: No person shall enter into any agreement to commit, or by any concerted action commit, any act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance.

304.927 ADVERTISEMENTS IN GENERAL: No person shall make or disseminate orally or in any other manner any advertisement, information, matter, statement, or thing:

(1) Misrepresenting the terms of any policy of the benefits or advantages thereof or dividends or share of surplus to be received thereon, or setting forth false or misleading information or estimate as to dividends or share of surplus previously paid on similar policies.

(2) Using any name or title of any policy or class of policies misrepresenting the true nature thereof.

(3) Setting forth any misleading representation or any misrepresentation as to the financial condition of an insurer, or as to the legal reserve system upon which any life insurer operates.

(4) Containing any assertion, representation, or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business, which is untrue, deceptive, or misleading.

304.928 ADVERTISEMENT OF ASSETS, LIABILITIES: Any advertisement or other dissemination of information by or on behalf of an insurer stating the insurer's assets shall, in the same connection and with equal conspicuousness, state the insurer's liabilities, computed on the basis allowed for its annual statements. Any such statement purporting to show the insurer's capital shall state only the amount of actual paid-in capital.

304.929 FALSE FINANCIAL STATEMENTS: (1) No person shall file with any public official, or make or disseminate any false statement of financial condition of an insurer with intent to deceive.

(2) No person shall make any false entry in any record, report or statement of any insurer or other person required to have records under this code, with intent to deceive the commissioner or any examiner lawfully appointed to examine into its affairs, or with like intent willfully omit to make a true entry of any material fact pertaining to its business.

304.930 DEFAMATION: No person shall make, publish, or disseminate, or aid, abet or encourage the making, publishing or dissemination of any information or statement which is false or maliciously critical of or derogatory to the financial condition of an insurer, and which is designed to injure in its reputation or business any insurer, or any domestic corporation or reciprocal being formed pursuant to this code for the purpose of becoming an insurer, or other person engaged in the insurance business.

304.931 UNFAIR DISCRIMINATION: (1) No insurer, other than a life insurer or disability insurer, shall make or permit any unfair discrimination in favor of particular persons, or between insureds or subjects of insurance having substantially like insuring, risk, and exposure factors, or expense elements, in the terms or conditions of any insurance contract, or in the rate or amount of pre-

mium charged therefor. This sub-section shall not apply as to any premium or premium rate in effect pursuant to article sixteen of this code.

(2) No insurer shall make or permit any unfair discrimination between individuals of the same class and equal expectation of life in the rates charged for any contract of life insurance or of life annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract, except that in determining the class, consideration may be given to the nature of the risk, plan of insurance, the actual or expected expense of conducting the business or any other relevant factor.

(3) No insurer shall make or permit any unfair discrimination between individuals of the same class involving essentially the same hazards in the amount of premium, policy fees, or rates charged for any policy or contract of disability insurance or in the benefits payable thereunder, or in any of the terms or conditions of such contract, or in any other manner whatsoever, except that in determining the class, consideration may be given to the nature of the risk, plan of insurance, the actual or expected expense of conducting the business or any other relevant factor.

304.932 REBATES PROHIBITED: (1) No insurer or employee or representative thereof shall knowingly charge, demand, or receive a premium for any insurance policy except in accordance with the applicable filing on file with the commissioner. No such insurer, employee, or representative shall pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as an inducement to insurance or after insurance has been effected, any rebate, discount, abatement, credit or reduction of the premium named in a policy, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducements whatever, or give, sell, or purchase, or offer to give, sell, or purchase anything of value whatsoever not specified in the policy, except to the extent provided for in such applicable filing.

(2) No insured named in a policy, nor any employee or representative thereof shall knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement or reduction of premium, or any special favor or advantage or valuable consideration or inducement.

(3) Subsections (1) and (2) of this section shall not apply as to life insurance and disability insurance. Except as expressly provided by law no insurer, employee, or representative shall knowingly permit or offer to make or make any contract of life insurance, life annuity or disability insurance, or agreement as to such contract other than as plainly expressed in the contract issued thereon, or pay or allow, or give or offer to pay, allow or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not expressed in the contract.

304.933 EXCEPTIONS TO DISCRIMINATION AND REBATE PROHIBITION: Nothing in KRS 304.931 and 304.932 shall be construed as prohibiting:

(1) Payment of lawfully earned commission or other lawful compensation to duly licensed agents, brokers, and solicitors.

(2) Distribution by a participating insurer to its participating policyholders of dividends, savings, or the unused or unabsorbed portion of premiums and premium deposits.

(3) Furnishing of information, advice or services for the purpose of reducing the loss or liability to loss under a policy.

(4) Life insurers from paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from non-participating insurance, if such bonuses or abatement is fair and equitable to all policyholders and for the best interests of the insurer and its policyholders.

(5) In the case of insurance policies issued on the industrial debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the saving in collection expense or making allowance to policyholders who make premium payments at less frequent intervals than required.

(6) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of any policy year of insurance thereunder, which may be made retroactive only for such policy year.

304.934 ILLEGAL INDUCEMENTS: No insurer, agent, broker, solicitor, or other person shall, as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, sell, buy, or offer or promise to buy, sell, give, promise, or allow to the insured or prospective insured or to any other person on his behalf in any manner whatsoever:

(a) Any employment.

(b) Any shares of stock or other securities issued or at any time to be issued or any interest therein or rights thereto.

(c) Any advisory board contract, or any similar contract, agreement or understanding, offering, providing for, or promising any profits or special returns or special dividends.

(d) Any prizes, goods, wares, merchandise, or property of an aggregate value in excess of one dollar ($1).

304.935 DESIGNATION OF FAVORED AGENT OR INSURED: (1) No person shall, as a condition to or in connection with any loan or the purchase of any property under contract, require that any insurance to be procured by or on behalf of the vendee or borrower on account of such loan or purchase or on property securing such loan or the subject of such contract, in any manner, be so procured through any particular person, agent, broker, solicitor, or in any particular insurer.

(2) This section shall not prevent the reasonable exercise by any such vendor or lender of his right to approve or disapprove the insurer selected to underwrite the insurance, and to determine the adequacy of the insurance offered.

(3) This section shall not apply to group insurance under a policy issued to a creditor pursuant to KRS 304.841.

304.937 INTERLOCKING OWNERSHIP, MANAGEMENT: (1) Any insurer may retain, invest in or acquire the whole or any part of the capital stock of any other insurer or insurers, or have a common management with any other insurer or insurers, unless such retention, investment, acquisition or common management is inconsistent with any other provision of this code, or unless by reason thereof the business of such insurers with the public is conducted in a manner which substantially lessens competition generally in the insurance business or tends to create a monopoly therein.

(2) Any person otherwise qualified may be a director of two or more insurers which are competitors, unless the effect thereof is to substantially lessen competition between insurers generally or tends to create a monopoly.

304.942 "TWISTING" PROHIBITED: No person shall make any misleading representations or incomplete or fraudulent comparisons of any life or disability insurance policies or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, or convert any life or disability insurance policy.

304.943 ILLEGAL DEALING IN PREMIUMS: (1) No person shall willfully collect any sum as premium or charge for insurance, which insurance is not then provided or is not in due course to be provided (subject to acceptance of the risk by the insurer) by an insurance policy issued by an insurer as authorized by this code.

(2) No person shall willfully collect as premium or charge for insurance any sum in excess of the amount actually expended or in due course is to be expended for insurance applicable to the subject on account of which the premium was collected or charged.

(3) No person shall willfully or knowingly fail to return to the person entitled thereto within a reasonable time any sum collected as premium or charge for insurance in excess of the amount actually expended for insurance, or for medical examination in the case of life insurance, applicable to the subject on account of which the premium or charge was collected.

(4) Each violation of this section shall be punishable as provided in KRS 304.990.

304.944 DESIST ORDER, DEFINED PRACTICES: (1) If, after a hearing thereon of which notice of such hearing and of the charges against him were given such person, the commissioner finds that any person in this state has engaged or is engaging in any act or practice defined in or prohibited under this article, the commissioner shall order such person to desist from such acts or practices.

(2) Such desist order shall become final upon expiration of the time allowed for appeals from the commissioner's orders, if no such appeal is taken, or, in event of such an appeal, upon final decision of the court if the court affirms the commissioner's order or

dismisses the appeal. An intervenor in such hearing shall have the right to appeal as provided in subsection (3) of KRS 304.945.

(3) In event of such an appeal, to the extent that the commissioner's order is affirmed the court shall issue its own order commanding obedience to the terms of the commissioner's order.

(4) No order of the commissioner pursuant to this section or order of court to enforce it shall in any way relieve or absolve any person affected by such order from any other liability, penalty, or forfeiture under law.

304.945 DESIST ORDER, UNDEFINED PRACTICES: (1) If the commissioner believes that any person engaged in the insurance business is engaging in this state in any method of competition or in any act or practice in the conduct of such business which is not defined in this article but that such method of competition is unfair or that such act or practice is unfair or deceptive and that a proceeding by him in respect thereto would be in the public interest, he shall, after a hearing of which notice of the hearing and of the charges against him are given such person, make a written report of his findings of fact relative to such charges and serve a copy thereof upon such person and any intervenor at the hearing.

(2) If such report charges a violation of this article and if such method of competition, act or practice has not been discontinued, the commissioner may, through the Attorney General, at any time after the service of such report cause an action to be instituted to enjoin and restrain such person from engaging in such method, act, or practice. In such action the court may grant a restraining order or injunction upon such terms as may be just; but the people of this Commonwealth shall not be required to give security before the issuance of any such order or injunction. If a stenographic record of the proceedings in the hearing before the commissioner was made, a certified transcript thereof including all evidence taken and the report and findings shall be received in evidence in such action.

(3) If the commissioner's report made pursuant to subsection (1) of this section or order on hearing made pursuant to KRS 304.944 does not charge a violation of this article, then any intervenor in the proceedings may appeal therefrom within the time and in the manner provided in this code for appeals from the commissioner generally.

ARTICLE TWENTY-NINE

MERGERS, REHABILITATION, LIQUIDATION

304.951 SCOPE OF ARTICLE: In addition to persons included under KRS 304.960 the term "insurer" shall, for the purposes of this article, be deemed to include all persons purporting to be engaged as insurers in the insurance business in this state, and to include persons in process of organization to become insurers.

304.952 MERGER OR CONSOLIDATION: (1) Subject to the provisions of KRS 304.144, relating to the mutualization of stock insurers, KRS 304.192, relating to the conversion or reinsurance of mutual insurers, and KRS 304.310, relating to the consolidation or conversion of reciprocal insurers, a domestic insurer may merge or consolidate with another insurer, subject to the following conditions:

(a) The plan of merger or consolidation must be submitted to and be approved by the commissioner in advance of the merger or consolidation.

(b) The commissioner shall not approve any such plan unless, after a hearing, he finds that it is fair, equitable, consistent with law, and that no reasonable objection exists. If the commissioner fails to approve the plan, he shall state his reasons for such failure in his order made on such hearing.

(c) No director, officer, member, or subscribers of any such insurer, except as is expressly provided by the plan of merger or consolidation, shall receive any fee, commission, other compensation or valuable consideration whatsoever, for in any manner aiding, promoting or assisting in the merger or consolidation.

(d) Any merger or consolidation as to an incorporated domestic insurer shall in other respects be governed by the general laws of this state relating to business corporations. Except, that as to domestic mutual insurers, approval by two-thirds (2/3) of its members who vote thereon pursuant to such notice and procedure as was approved by the commissioner shall constitute approval of the merger or consolidation as respects the insurer's members.

(2) Reinsurance of all or substantially all of the insurance in force of a domestic insurer by another insurer shall be deemed a consolidation for the purposes of this section.

304.953 GROUNDS FOR REHABILITATION OR LIQUIDATION: (1) The commissioner may apply for an order directing him to rehabilitate or liquidate a domestic insurer upon one or more of the following grounds: That the insurer

(a) has liabilities exceeding its assets, or is otherwise deemed insolvent or found by the commisisoner to be insolvent; or

(b) has refused to submit its books, records, accounts or affairs to the reasonable examination of the commissioner; or

(c) has an officer, director, or manager who has refused to be examined under oath concerning its affairs; or

(d) has ceased for the period of one year to transact insurance business; or

(e) is in process of organization to become an insurer and has failed to complete its organization or to secure certificate of authority within the time allowed by any solicitation permit or authorization for sale of securities issued by the Director of the Division of Securities; or

(f) has failed to comply with the commissioner's order, made pursuant to law, to make good an impairment of capital (if a stock insurer) or an impairment of assets (if a mutual, Lloyd's or reciprocal) within the time prescribed by law; or

(g) has willfully violated its charter or any law of this state; or

(h) is found by the commissioner to be in such condition that its or to its creditors, members, subscribers, stockholders, or to the further transaction of business will be hazardous to its policyholders, public; or

(i) has transferred or attempted to transfer substantially its entire property or business, or has entered into any transaction the effect of which is to merge substantially its entire property or business in that of any other insurer without first having obtained the commissioner's written approval; or

(j) has commenced voluntary liquidation or dissolution, or attempts to commence or prosecute any action or proceeding to liquidate its business or affairs, or to dissolve its corporate charter, or to procure the appointment of a receiver, trustee, custodian, or sequestrator; or

(k) has been the subject of an application for the appointment of a receiver, trustee, custodian or sequestrator of the insurer or of its property, or if a receiver, trustee, custodian, or sequestrator is appointed by any court or if such appointment is imminent; or

(l) has consented to such an order through a majority of its directors, stockholders, members, or subscribers; or

(m) has failed to pay a final judgment rendered against it in any state upon any insurance contract issued or assumed by it, within sixty (60) days after the judgment became final or within sixty (60) days after time for taking an appeal has expired, or within sixty (60) days after dismissal of an appeal before final determination, whichever date is the later.

304.954 ORDER OF REHABILITATION—TERMINATION:

(1) An order to rehabilitate a domestic insurer shall direct the commissioner forthwith to take possession of the property of the insurer and to conduct the business thereof, and to take such steps toward removal of the causes and conditions which have made rehabilitation necessary as the court may direct.

(2) If at any time the commissioner deems that further efforts to rehabilitate the insurer would be useless, he may apply to the court for an order of liquidation.

(3) The commissioner, or any interested person upon due notice to the commissioner, at any time may apply for an order terminating the rehabilitation proceeding and permitting the insurer to resume possession of its property and the conduct of its business, but no such order shall be granted except when, after a full hearing, the court has determined that the purposes of the proceedings have been fully accomplished.

304.955 ORDER OF LIQUIDATION: (1) An order to liquidate the business of a domestic insurer shall direct the commissioner forthwith to take possession of the property of the insurer, to liquidate its business, to deal with the insurer's property and business in his own name as commissioner or in the name of the insurer as the court may direct, to give notice to all creditors who may have claims against the insurer to present such claims.

(2) The commissioner may apply under this article for an order dissolving the corporate existence of a domestic insurer:

(a) Upon his application for an order of liquidation of such insurer, or at any time after such order has been granted; or

(b) upon the grounds specified in item (e) of sub-section (1) of KRS 304.953, regardless of whether an order of liquidation is sought or has been obtained.

304.956 LIQUIDATION OF ALIEN INSURERS: An order to liquidate the business of the United States branch of an alien insurer having trusteed assets in this state shall be in the same terms as those prescribed for domestic insurers, except that only the assets of the business of such United States branch shall be included therein.

304.957 CONSERVATION OF ASSETS OF FOREIGN OR ALIEN INSURER: The commissioner may apply for an order directing him to conserve the assets within this state of a foreign or alien insurer upon any one or more of the applicable grounds specified in KRS 304.953.

304.959 ORDER OF CONSERVATION OR ANCILLARY LIQUIDATION OF FOREIGN OR ALIEN INSURERS: (1) An order to conserve the assets of a foreign or alien insurer shall direct the commissioner forthwith to take possession of the property of the insurer within this state and to conserve it, subject to the further direction of the court.

(2) Whenever a domiciliary receiver is appointed for any such insurer in its domiciliary state which is also a reciprocal state, as defined in KRS 304.960, the court shall on application of the commissioner appoint the commissioner as the ancillary receiver in this state, subject to the provisions of the Uniform Insurers Liquidation Act.

304.960 UNIFORM INSURERS LIQUIDATION ACT: This section and KRS 304.961 to 304.968 inclusive comprise and may be cited as the Uniform Insurers Liquidation Act. For the purposes of this act:

(1) "Insurer" means any person, firm, corporation, association, or aggregation of persons doing an insurance business and subject to the insurance supervisory authority of, or to liquidation, rehabilitation, reorganization, or conservation by, the commissioner, or the equivalent insurance supervisory official of another state.

(2) "Delinquency proceeding" means any proceeding commenced against an insurer for the purpose of liquidating, rehabilitating, reorganizing, conserving such insurer.

(3) "State" means any state of the United States, and also the District of Columbia, Alaska, Hawaii and Puerto Rico.

(4) "Foreign country" means territory not in any state.

(5) "Domiciliary state" means the state in which an insurer is incorporated or organized, or, in the case of an insurer incorporated or organized in a foreign country, the state in which such insurer, having become authorized to do business in such state, has, at the commencement of delinquency proceedings, the largest amount of its assets held in trust and assets held on deposit for the benefit of its policyholders or policyholders and creditors in the United States; and any such insurer is deemed to be domiciled in such state.

(6) "Ancillary state" means any state other than a domiciliary state.

(7) "Reciprocal state" means any state other than this state in which in substance and effect the provisions of this act are in force, including the provisions requiring that the Insurance Commissioner or equivalent insurance supervisory official be the receiver of a delinquent insurer.

(8) "General assets" means all property, real, personal, or otherwise, not specifically mortgaged, pledged, deposited, or otherwise encumbered for the security or benefit of specified persons or a limited class or classes of persons, and as to such specifically encumbered property the term includes all such property or its proceeds in excess of the amount necessary to discharge the sum or sums secured thereby. Assets held in trust and assets held on deposit for the security or benefit of all policyholders, or all policyholders and creditors in the United States, shall be deemed general assets.

(9) "Preferred claim" means any claim with respect to which the law of a state or of the United States accords priority of payment from the general assets of the insurer.

(10) "Special deposit claim" means any claim secured by a deposit made pursuant to statute for the security or benefit of a limited class or classes of persons, but not including any general assets.

(11) "Secured claim" means any claim secured by mortgage, trust, deed, pledge, deposit as security, escrow, or otherwise, but not including special deposit claim or claims against general assets. The term also includes claims which more than four (4) months prior to the commencement of delinquency proceedings in the state of the insurer's domicile have become liens upon specific assets by reason of judicial process.

(12) "Receiver" means receiver, liquidator, rehabilitator, or conservator as the context may require.

304.961 CONDUCT OF DELINQUENCY PROCEEDINGS AGAINST INSURERS DOMICILED IN THIS STATE: (1) Whenever under the laws of this state a receiver is to be appointed in delinquency proceedings for an insurer domiciled in this state, the court shall appoint the commissioner as such receiver. The court shall direct the commissioner forthwith to take possession of the assets of the insurer and to administer the same under the orders of the court.

(2) As domiciliary receiver the commissioner shall be vested by operation of law with the title to all of the property, contracts, and rights of action, and all of the books and records of the insurer wherever located, as of the date of entry of the order directing him to rehabilitate or liquidate a domestic insurer, or to liquidate the United States branch of an alien insurer domiciled in this state, and he shall have the right to recover the same and reduce the same to possession; except that ancillary receivers in reciprocal states shall have, as to assets located in their respective states, the rights and powers which are hereinafter prescribed for ancillary receivers appointed in this state as to assets located in this state.

(3) The filing or recording of the order directing possession to be taken, or a certified copy thereof, in the office where instruments affecting title to property are required to be filed or recorded shall impart the same notice as would be imparted by a deed, bill of sale, or other evidence of title duly filed or recorded.

(4) The commissioner as domiciliary receiver shall be responsible on his official bond for the proper administration of all assets coming into his possession or control. The court may at any time require an additional bond from him or his deputies if deemed desirable for the protection of the assets.

(5) Upon taking possession of the assets of an insurer the domiciliary receiver shall, subject to the direction of the court, immediately proceed to conduct the business of the insurer or to take such steps as are authorized by the laws of this state for the purpose of liquidating, rehabilitating, reorganizing, or conserving the affairs of the insurer.

(6) In connection with delinquency proceedings the commissioner may apoint one or more special deputy commisisoners to act for him, and may employ such counsel, clerks, and assistants as he deems necessary. The compensation of the special deputies, counsel, clerks or assistants and all expenses of taking possession of the insurer and of conducting the proceedings shall be fixed by the receiver, subject to the approval of the court, and shall be paid out of the funds or assets of the insurer. Within the limits of the duties imposed upon them special deputies shall possess all the powers given to, and, in the exercise of those powers, shall be subject to all of the duties imposed upon the receiver with respect to such proceedings.

304.962 CONDUCT OF DELINQUENCY PROCEEDINGS AGAINST INSURERS NOT DOMICILED IN THIS STATE: (1) Whenever under the laws of this state an ancillary receiver is to be appointed in delinquency proceedings for an insurer not domiciled in this state, the court shall appoint the commissioner as ancillary receiver. The commissioner shall file a petition requesting the appointment (a) if he finds that there are sufficient assets of such insurer located in this state to justify the appointment of an ancillary receiver, or (b) if ten (10) or more persons resident in this state having claims against such insurer file a petition with the commissioner requesting the appointment of such ancillary receiver.

(2) The domiciliary receiver for the purpose of liquidating an insurer domiciled in a reciprocal state, shall be vested by operation of law with the title to all of the property, contracts, and rights of action, and all of the books and records of the insurer located in this state, and he shall have the immediate right to recover balances due from local agents and to obtain possession of any books and records of the insurer found in this state. He shall also be entitled to recover the other assets of the insurer located in this state except that upon the apointment of an ancillary receiver in this state, the ancillary receiver shall during the ancillary receivership proceedings have the sole right

to recover such other assets. The ancillary receiver shall, as soon as practicable, liquidate from their respective securities those special deposit claims and secured claims which are proved and allowed in the ancillary proceedings in this state, and shall pay the necessary expenses of the proceedings. All remaining assets he shall promptly transfer to the domiciliary receiver. Subject to the foregoing provisions the ancillary receiver and his deputies shall have the same powers and be subject to the same duties with respect to the administration of such assets, as a receiver of an insured domiciled in this state.

(3) The domiciliary receiver of an insurer domiciled in a reciprocal state may sue in this state to recover any assets of such insurer to which he may be entitled under the laws of this state.

304.963 CLAIMS OF NONRESIDENTS AGAINST DOMESTIC INSURERS: (1) In a delinquency proceeding begun in this state against an insurer domiciled in this state, claimants residing in reciprocal states may file claims either with the ancillary receivers, if any, in their respective states, or with the domiciliary receiver. All such claims must be filed on or before the last date fixed for the filing of claims in the domiciliary delinquency proceedings.

(2) Controverted claims belonging to claimants residing in reciprocal states may either (a) be proved in this state as provided by law, or (b) if ancillary proceedings have been commenced in such reciprocal states, may be proved in those proceedings. In the event a claimant elects to prove his claim in ancillary proceedings, if notice of the claim and opportunity to appear and be heard is afforded the domiciliary receiver of this state as provided in KRS 304.964 with respect to ancillary proceedings in this state, the final allowance of such claim by the courts in the ancillary state shall be accepted in this state as conclusive as to its amount and shall also be accepted as conclusive as to its priority, if any, against special deposits or other security located within the ancillary state.

304.964 CLAIMS AGAINST FOREIGN INSURER: (1) In a delinquency proceeding in a reciprocal state against an insurer domiciled in that state, claimants, against such insurer, who reside within this state may file claims either with the ancillary receiver, if any, appointed in this state, or with the domiciliary receiver. All

such claims must be filed on or before the last date fixed for the filing of claims in the domiciliary delinquency proceeding.

(2) Controverted claims belonging to claimants residing in this state may either (a) be proved in the domiciliary state as provided by law of that state, or (b), if ancillary proceedings have been commenced in this state, be proved in those proceedings. In the event that any such claimant elects to prove his claim in this state, he shall file his claim with the ancillary receiver in the manner provided by the law of this state for the proving of claims against insurers domiciled in this state, and he shall give notice in writing to the receiver in the domiciliary state, either by registered mail or by personal service at least forty (40) days prior to the date set for hearing. The notice shall contain a concise statement of the amount of the claim, the facts on which the claim is based, and the priorities asserted, if any. If the domiciliary receiver, within thirty (30) days after the giving of such notice, shall give notice in writing to the ancillary receiver and to the claimant, either by registered mail or by personal service, of his intention to contest such claim, he shall be entitled to appear or to be represented in any proceeding in this state involving the adjudication of the claim. The final allowance of the claim by the courts of this state shall be accepted as conclusive as to its amount, and shall also be accepted as conclusive as to its priority, if any, against special deposits or other security located within this state.

304.965 PRIORITY OF CERTAIN CLAIMS: (1) In a delinquency proceeding against an insurer domiciled in this state, claims owing to residents of ancillary states shall be preferred claims if like claims are preferred under the laws of this state. All such claims owing to residents or nonresidents shall be given equal priority of payment from general assets regardless of where such assets are located.

(2) In a delinquency proceeding against an insurer domiciled in a reciprocal state, claims owing to residents of this state shall be preferred if like claims are preferred by laws of that state.

(3) The owners of special deposit claims against an insurer for which a receiver is appointed in this or any other state shall be given priority against their several special deposits in accordance with the provisions of the statutes governing the creation and maintenance of such deposits. If there is a deficiency in any such deposit so that the

claims secured thereby are not fully discharged therefrom, the claimants may share in the general assets, but such sharing shall be deferred until general creditors, and also claimants against other special deposits who have received smaller percentages from their respective special deposits, have been paid percentages of their claims equal to the percentage paid from the special deposit.

(4) The owner of a secured claim against an insurer for which a receiver has been appointed in this or any other state may surrender his security and file his claim as a general creditor, or the claim may be discharged by resort to the security, in which case the deficiency, if any, shall be treated as a claim against the general assets of the insurer on the same basis as claims of unsecured creditors. If the amount of the deficiency has been adjudicated in ancillary proceedings as provided in this act, or if it has been adjudicated by a court of competent jurisdiction in proceedings in which the domiciliary receiver has had notice and opportunity to be heard, such amount shall be conclusive; otherwise the amount shall be determined in the delinquency proceeding in the domiciliary state.

304.966 ATTACHMENT AND GARNISHMENT OF ASSETS: During the pendency of delinquency proceedings in this or any reciprocal state no action or proceeding in the nature of an attachment, garnishment, or execution shall be commenced or maintained in the courts of this state against the delinquent insurer or its assets. Any lien obtained by any such action or proceeding within four (4) months prior to the commencement of any such delinquency proceeding or at any time thereafter shall be void as against any rights arising in such delinquency proceeding.

304.968 CONSTITUTIONALITY — UNIFORMITY OF INTERPRETATION: (1) If any provision of this Uniform Insurer's Liquidation Act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

(2) This Uniform Insurer's Liquidation Act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states that enact it. To the extent that its

provisions, when applicable, conflict with other provisions of this article, the provisions of this act shall control.

304.969 COMMENCEMENT OF A PROCEEDING: (1) Proceedings under this article involving a domestic insurer may be commenced in the circuit court for the county in which is located the insurer's home office or in the Franklin circuit court. Proceedings under this article involving other insurers shall be commenced in the Franklin circuit court.

(2) The commissioner shall commence any such proceeding by an application to the court or to any judge thereof, for an order directing the insurer to show cause why the commissioner should not have the relief prayed for. On the return of such order to show cause, and after a full hearing, the court shall either deny the application or grant the application together with such other relief as the nature of the case and the interests of policyholders, creditors, stockholders, members, subscribers, or the public may require.

304.970 INJUNCTIONS: (1) Upon application by the commissioner for such an order to show cause or at any time thereafter, the court may without notice issue an injunction restraining the insurer, its officers, directors, stockholders, members, subscribers, agents, and all other persons from the transaction of its business or the waste or disposition of its property until the further order of the court.

(2) The court may at any time during a proceeding under this article issue such other injunctions or orders as may be deemed necessary to prevent interference with the commissioner or the proceeding, or waste of the assets of the insurer, or the commencement or prosecution of any actions, or the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against the insurer or against its assets or any part thereof.

304.972 DEPOSIT OF MONEYS COLLECTED: The moneys collected by the commissioner in a proceeding under this article, shall be, from time to time, deposited in one or more state or national banks, savings banks, or trust companies, and in the case of the insolvency or voluntary or involuntary liquidation of any such depositary which is an institution organized and supervised under the laws of this state, such deposits shall be entitled to priority of

payment on an equality with any other priority given by the banking law of this state. The commissioner may in his discretion deposit such moneys or any part thereof in a national bank or trust company as a trust fund.

304.973 EXEMPTION FROM FILING FEES: The commissioner shall not be required to pay any fee to any public officer in this state for filing, recording, issuing a transcript or certificate, or authenticating any paper or instrument pertaining to the exercise by the commissioner of any of the powers or duties conferred upon him under this article, whether or not such paper or instrument be executed by the commissioner or his deputies, employees, or attorneys of record and whether or not it is connected with the commencement of an action or proceeding by or against the commissioner, or with the subsequent conduct of such action or proceeding.

304.974 BORROWING ON PLEDGE OF ASSETS: For the purpose of facilitating the rehabilitation, liquidation, conservation or dissolution of an insurer pursuant to this article the commissioner may, subject to the approval of the court, borrow money and execute, acknowledge and deliver notes or other evidences of indebtedness therefor and secure the repayment of the same by mortgage, pledge, assignment, transfer in trust, or hypothecation of any or all of the property whether real, personal, or mixed of such insurer, and the commissioner subject to the approval of the court shall have power to take any and all other action necessary and proper to consummate any such loans and to provide for the repayment thereof. The commissioner shall be under no obligation personally or in his official capacity as commissioner to repay any loan made pursuant to this section.

304.975 REPORT OF COMMISSIONER: The commissioner shall include in his annual report, the names of all insurers proceeded against under this article together with such facts as shall acquaint the policyholders, creditors, stockholders, and the public with the proceedings. To that end any deputy commissioner in charge of any such insurer shall file annually with the commissioner a report of the affairs of the insurer.

304.976 DATE RIGHTS FIXED ON LIQUIDATION: The rights and liabilities of the insurer and of its creditors, policyholders, stockholders, members, subscribers, and all other persons in-

terested in its estate shall, unless otherwise directed by the court, be fixed as of the date on which the order directing the liquidation of the insurer is filed in office of the clerk of the circuit court which made the order, subject to the provisions of KRS 304.980 with respect to the rights of claimants holding contingent claims.

304.977 VOIDABLE TRANSFERS: (1) Any transfer, of, or lien upon, the property of an insurer which is made or created within four (4) months prior to the granting of an order to show cause under this article with the intent of giving to any creditor or of enabling him to obtain a greater percentage of his debt than any other creditor of the same class and which is accepted by such creditor having reasonable cause to believe that such a preference will occur, shall be voidable.

(2) Every director, officer, employee, stockholder, member, subscriber, and any other person acting on behalf of such insurer who shall be concerned in any such act or deed and every person receiving thereby any property of such insurer or the benefit thereof shall be personally liable therefor and shall be bound to account to the commissioner.

(3) The commissioner as liquidator, rehabilitator or conservator in any proceeding under this article, may avoid any transfer of, or lien upon the property of an insurer which any creditor, stockholder, subscriber or member of such insurer might have avoided and may recover the property so transferred unless such person was a bona fide holder for value prior to the date of the granting of an order to show cause under this article. Such property or its value may be recovered from anyone who has received it except a bona fide holder for value as above specified.

304.978 PRIORITY OF CLAIMS FOR COMPENSATION: (1) Compensation actually owing to employees other than officers of an insurer, for services rendered within three (3) months prior to the commencement of a proceeding against the insurer under this article, but not exceeding three hundred dollars ($300) for each such employee, shall be paid prior to the payment of any other debt or claim, and in the discretion of the commissioner may be paid as soon as practicable after the proceeding has been commenced; except, that at all times the commissioner shall reserve such funds as will in his opinion be sufficient for the expenses of administration.

(2) Such priority shall be in lieu of any other similar priority which may be authorized by law as to the wages or compensation of such employees.

304.979 SET-OFFS: (1) In all cases of mutual debts or mutual credits between the insurer and another person in connection with any action or proceeding under this article, such credits and debts shall be set off and the balance only shall be allowed or paid, except as provided in subsection (2) of this section.

(2) No set-off shall be allowed in favor of any such person where (a) the obligation of the insurer to such person would not at the date of entry of any liquidation order, or otherwise, as provided in KRS 304.976, entitle him to share as a claimant in the assets of the insurer, or (b) the obligation of the insurer to such person was purchased by or transferred to such person with a view of its being used as a set-off, or (c) the obligation of such person is to pay an assessment levied against the members of a mutual insurer, or against the subscribers of a reciprocal insurer, or is to pay an obligation with regard to the capital stock of a stock insurer.

304.980 ALLOWANCE OF CERTAIN CLAIMS: (1) No contingent claim shall share in a distribution of the assets of an insurer which has been adjudicated to be insolvent by an order made pursuant to KRS 304.981 except that such claims shall be considered, if properly presented, and may be allowed to share where

(a) such claim becomes absolute against the insurer on or before the last day fixed for filing of proofs of claim against the assets of such insurer, or

(b) there is a surplus and the liquidation is thereafter conducted upon the basis that such insurer is solvent.

(2) Where an insurer has been so adjudicated to be insolvent any person who has a cause of action against an insured of such insurer under a liability insurance policy issued by such insurer, shall have the right to file a claim in the liquidation proceeding, regardless of the fact that such claim may be contingent, and such claim may be allowed

(a) if it may be reasonably inferred from the proof presented upon such claim that such person would be able to obtain a judgment upon such cause of action against such insured; and,

(b) if such person shall furnish suitable proof, unless the court for good cause shown shall otherwise direct, that no further valid claims against such insurer arising out of his cause of action other than those already presented can be made; and,

(c) if the total liability of such insurer to all claimants arising out of the same act of its insured shall be no greater than its maximum liability would be were it not in liquidation.

No judgment against such an insured taken after the date of the entry of the liquidation order shall be considered in the liquidation proceedings as evidence of liability, or of the amount of damages, and no judgment against an insured taken by default, inquest or by collusion prior to the entry of the liquidation order shall be considered as conclusive evidence in the liquidation proceeding either of the liability of such insured to such person upon such cause of action or of the amount of damages to which such person is therein entitled.

(3) No claim of any secured claimant shall be allowed at a sum greater than the difference between the value of the claim without security and the value of the security itself as of the date of the entry of the order of liquidation or such other date set by the court for fixation of rights and liabilities as provided in KRS 304.976 unless the claimant shall surrender his security to the commissioner in which event the claim shall be allowed in the full amount for which it is valued.

304.981 TIME TO FILE CLAIMS: (1) If upon the granting of an order of liquidation under this article or at any time thereafter during the liquidation proceeding, the insurer shall not be clearly solvent, the court shall after such notice and hearing as it deems proper, make an order declaring the insurer to be insolvent. Thereupon, regardless of any prior notice which may have been given to creditors, the commissioner shall notify all persons who may have claims against such insurer and who have not filed proper proofs thereof, to present the same to him, at a place specified in such notice, within four (4) months from the date of the entry of such order, or, if the commissioner shall certify that it is necessary, within such longer time as the court shall prescribe. The last day for the filing of proofs of claim shall be specified in the notice. Such notice shall be given in a manner determined by the court.

(2) Proofs of claim may be filed subsequent to the date specified, but, no such claim shall share in the distribution of the assets until all allowed claims, proofs of which have been filed before said date, have been paid in full with interest.

304.982 REPORT FOR ASSESSMENT: Within three (3) years from the date an order of rehabilitation or liquidation of a domestic mutual insurer or a domestic reciprocal insurer was filed in the office of the clerk of the court by which such order was made, the commissioner may make a report to the court setting forth

(1) the reasonable value of the assets of the insurer;

(2) the insurer's probable liabilities; and

(3) the probable necessary assessment, if any, to pay all claims and expenses in full, including expenses of administration.

304.983 LEVY OF ASSESSMENT: (1) Upon the basis of the report provided for in KRS 304.982 including any amendments thereof, the court, ex parte, may levy one or more assessments against all members of such insurer who, as shown by the records of the insurer, were members (if a mutual insurer) or subscribers (if a reciprocal insurer) at any time within one (1) year prior to the date of issuance of the order to show cause under KRS 304.969.

(2) Such assessment or assessments shall cover the excess of the probable liabilities over the reasonable value of the assets, together with the estimated cost of collection and percentage of uncollectibility thereof. The total of all assessments against any member or subscriber with respect to any policy, whether levied pursuant to this article or pursuant to any other provisions of this code, shall be for no greater amount than that specified in the policy or policies of the member or subscriber and as limited under this code; except that if the court finds that the policy was issued at a rate or premium below the minimum rate lawfully permitted for the risk insured, the court may determine the upper limit of such assessment upon the basis of such minimum rate.

(3) No assessment shall be levied against any member or subscriber with respect to any nonassessable policy issued in accordance with this code.

304.984 ORDER TO PAY ASSESSMENT: After levy of assessment as provided in KRS 304.983, upon the filing of a further

detailed report by the commissioner, the court shall issue an order directing each member (if a mutual insurer) or each subscriber (if a reciprocal insurer) if he shall not pay the amount assessed against him to the commissioner on or before a day to be specified in the order, to show cause why he should not be held liable to pay such assessment together with costs as set forth in KRS 304.986 and why the commissioner should not have judgment therefor.

304.985 PUBLICATION AND TRANSMITTAL OF ASSESSMENT ORDER: The commissioner shall cause a notice of such assessment order setting forth a brief summary of the contents of such order to be

(1) published in such manner as shall be directed by the court; and

(2) enclosed in a sealed envelope, addressed and mailed postage prepaid to each member or subscriber liable thereunder at his last known address as it appears on the records of the insurer, at least twenty (20) days before the return day of the order to show cause provided for in KRS 304.984.

304.986 JUDGMENT UPON THE ASSESSMENT: (1) On the return day of the order to show cause provided for in KRS 304.984 if the member or subscriber does not appear and serve verified objections upon the commissioner, the court shall make an order adjudging that such member or subscriber is liable for the amount of the assessment against him together with costs, and that the commissioner may have judgment against the member or subscriber therefor.

(2) If on such return day the member or subscriber shall appear and serve verified objections upon the commissioner there shall be a full hearing before the court or a referee to hear and determine, who, after such hearing, shall make an order either negativing the liablity of the member or subscriber to pay the assessment or affirming his liability to pay the whole or some part thereof together with costs and the necessary disbursements incurred at such hearing, and directing that the commissioner in the latter case may have judgment therefor.

(3) A judgment upon any such order shall have the same force and effect, and may be entered and docketed, and may be appealed

from as if it were a judgment in an original action brought in the court in which the proceeding is pending.

ARTICLE THIRTY

PENALTIES

304.990—PENALTIES: (1) *Penalties for particular offenses.* Any person violating any of the following requirements or provisions of this code shall, upon conviction by a court of competent jurisdiction, be subject to the penalty prescribed therefor:

(a) *Illegal contracts*: Any person who makes a contract of insurance without complying with the applicable requirements of this code shall be liable to a fine of not more than one thousand dollars for each offense.

(b) *Contempt or obstruction*: Any person who refuses, without justifiable cause, to appear and testify when required to do so under the provisions of KRS 304.037, or who obstructs the commissioner in the discharge of his duty, shall, for each offense, be fined not more than one thousand dollars or imprisoned for not more than one year.

(c) *Business without authority*: Any insurer that transacts insurance in this state without a certificate of authority as provided for by this code shall be fined one hundred dollars for each day it continues to write new business in this state without the certificate. A suit to recover this penalty shall be instituted in the name of the Commonwealth by the Attorney General in the Franklin circuit court, whenever so directed by the commissioner.

(d) *Business after authority suspended or revoked*: Any insurer that writes any new business in this state during the suspension or after revocation of its certificate of authority shall forfeit not more than one thousand dollars for each offense.

(e) *Annual statement*: Any insurer failing to make and file its annual statement with the commissioner as required by this code, shall be subject to a fine of five hundred dollars for each failure.

(f) *Business through local agents*: Any person who violates KRS 304.097 shall be fined not less than five hundred dollars nor more than one thousand dollars for each offense.

(g) *Highway contracts*: Any insurer violating KRS 304.101 shall upon conviction be fined not less than one thousand dollars nor more than five thousand dollars, in the discretion of the jury. Any agent violating KRS 304.101 upon conviction shall be fined not less than one hundred dollars nor more than five hundred dollars, in the discretion of the jury.

(h) *Prohibited fees on investments*: Any person who violates KRS 304.448 shall be fined not less than five hundred dollars nor more than one thousand dollars, and confined in the county jail for not less than sixty days nor more than one year, for each offense.

(i) *Deposit requirements*: If the Custodian of Insurance Securities or any other person willfully violates any provision of this code relating to the deposit of assets by insurers, or willfully fails to keep, deposit, account for or surrender, faithfully, any securities deposited or received, he shall be fined not more than ten thousand dollars. If the offender is the custodian or any other individual, he shall, in addition to the fine, be confined in the penitentiary for not less than two nor more than ten years.

(j) *Representing unauthorized insurer*: Any person who violates KRS 304.580 shall be fined not less than twenty-five dollars nor more than five hundred dollars, or confined in the penitentiary for not more than one year, or both.

(k) *Rate Supervision*: Any person violating any provision of article sixteen of this code shall upon conviction be fined not more than fifty dollars for each violation, but if such violation is found to be willful such person shall be fined not more than five hundred dollars for each such violation.

(1) *Altering application*: Any person who violates KRS 304.654 shall be fined not more than one thousand dollars or confined in the penitentiary for not more than one year, or both.

(m) *Agreement contrary to policy*: Any person who violates subsection (2) of KRS 304.667 shall be fined not more than five hundred dollars.

(n) *Unfair discrimination*: Any person who knowingly violates KRS 304.931 shall be fined not more than five hundred dollars.

(o) *False statements or reports*: Any person whose duty it is to make or file any statement, report or other instrument in writing required by this code, who knowingly falsifies or fraudulently makes or files such statement, report, or other instrument, shall be imprisoned in the penitentiary for not less than two years nor more than ten years.

(p) *Rebates and illegal inducements*: Any person who violates KRS 304.932 or 304.934 shall be fined not more than five hundred dollars.

(q) *Unlawful Boycott, Coercion*: Any person who violates KRS 304.926 shall be fined not more than one thousand dollars or confined in the penitentiary for not more than one year, or both.

(r) *"Twisting:"* Any person who violates KRS 304.942 shall be fined not more than five hundred dollars for each offense.

(s) *Illegal taking of premiums*: Any person who violates KRS 304.943 shall be fined not more than one thousand dollars or confined in the penitentiary for not more than one year, or both.

(2) *General penalty*: Any person who violates any provision of this code, other than provisions for which specific penalties are provided in subsection (1) of this section, or who knowingly violates any proper order of the commissioner given pursuant to this code, shall be fined not less than twenty-five dollars nor more than seven hundred and fifty dollars, or confined in the county jail for not less than ten days nor more than thirty days, or both.

(3) The penalties provided in this section shall be in addition to any other penalty or forfeiture provided by this code as to any such violation.

15. Section 300.010 of the Kentucky Revised Statutes is hereby amended to read as follows:

CONSTRUCTION OF CHAPTER. (1) Except as otherwise provided, fraternal benefit societies shall be governed by this chapter, and shall be exempt from all provisions of the insurance laws of this state, not only in governmental relations with the state but for every other purpose, and no law shall apply to them unless they are expressly designated therein.

(2) Nothing contained in this chapter shall be construed to affect or apply to grand or subordinate lodges of Masons, Odd Fellows, Knights of Pythias exclusive of the insurance department of the Supreme Lodge Knights of Pythias, Junior Order United American Mechanics exclusive of the Beneficiary Degree or insurance branch of the National Council Junior Order United American Mechanics, or to similar orders, societies or associations now doing business in this state that provide benefits exclusively through local or subordinate lodges, or to orders, societies or associations that limit their admission to membership to any one hazardous occupation, nor to an association of local lodges of a society now doing business in this state that provides death benefits not exceeding three hundred dollars, nor to any contracts of reinsurance business on such plan in this state, nor to domestic societies that limit their membership to the employees of a particular city, designated firm, business house or corporation, nor to domestic lodges, orders or associations of a purely religious, charitable or benevolent description that do not provide for a death benefit of more than one hundred dollars or for a disability benefit of more than one hundred and fifty dollars to any one person in any one year.

(3) A fraternal benefit society shall be deemed to be operating on the lodge system when it has a supreme governing or legislative body, and subordinate lodges or branches by whatever name known, into which members are elected, initiated and admitted in accordance with its constitution, bylaws, regulations and prescribed ritualistic ceremonies, and the subordinate lodges are required by the bylaws of the society to hold regular or stated meetings at least once in each month.

(4) A fraternal benefit society shall be deemed to have a representative form of government when it provides in its constitution and bylaws for a supreme legislative or governing body, composed of representatives elected either by the members or by delegates elected, directly or indirectly, by the members, together with such other members as may be prescribed by its constitution and bylaws. The elective members shall constitute a majority in number and have not less than two-thirds of the votes, nor less than the votes required to amend its constitution and bylaws. The meetings of the supreme or governing body and the election of officers, representatives or delegates shall be held as often as once in four years. The members, officers, representatives or delegates shall not vote by proxy.

(5) As used in this chapter, unless the context requires otherwise:

(a) "Director" or "Commissioner" means the Commissioner of the Department of Insurance.

(b) "Fraternal benefit society" or "society" means any corporation, order or voluntary association without capital stock, organized and carried on solely for the mutual benefit of its members and their beneficiaries and not for profit, having a lodge system with ritualistic form of work and representative form of government, and which makes provision for the payment of benefits in accordance with KRS 300.120.

16. Section 300.020 of the Kentucky Revised Statutes is hereby amended to read as follows:

ORGANIZATION OF A DOMESTIC SOCIETY; ISSUE OF A PRELIMINARY CERTIFICATE OF COMPLIANCE. (1) Seven or more persons, citizens of the United States and a majority of them citizens of this state, who desire to form a fraternal benefit society may make and sign, giving their addresses, and acknowledge before some officer competent to take acknowledgment of deeds, articles of incorporation, in which shall be stated the following:

(a) The proposed corporate name of the society, which shall not so closely resemble the name of any society or insurance company already transacting business in this state as to mislead the public or to lead to confusion, or which would tend to mislead the public as to the type of organization involved.

(b) The purpose for which it is formed, which shall not include more liberal powers than are granted by this chapter. Any lawful, social, intellectual, educational, charitable, benevolent, moral or religious advantages may be set forth among the purposes of the society.

(c) The mode in which its corporate powers are to be exercised.

(d) The names, residences and official titles of all other officers, trustees, directors or other persons who are to exercise the general control and management of the affairs and funds of the society for the first year, or until the ensuing election at which all such officers shall be elected by the supreme legislative or governing body, which election

shall be held not later than one year from the date of the issuance of the permanent certificate.

(2) The articles of incorporation and duly certified copies of the constitution, bylaws, and rules and regulations, and copies of all proposed forms of benefit certificates, applications therefor, and circulars to be issued by the society, and a bond in the sum of twenty-five hundred dollars with sureties approved by the commissioner and conditioned upon the return of the advanced payments to applicants if the organization is not completed within one year, shall be filed with the commissioner who may require such further information as he deems necessary.

(3) If the purposes of the society conform to the requirements of this chapter, and all provisions of law have been complied with, the commissioner shall so certify and retain and record the articles of incorporation, and furnish the incorporators a preliminary certificate authorizing the society to solicit members as provided, unless the commissioner finds, after a hearing thereon, that any individual associated or to be associated in the direction or management of the society is an untrustworthy person.

17. Section 300.030 of the Kentucky Revised Statutes is hereby amended to read as follows:

COMPLETION OF ORGANIZATION UNDER A PRELIMINARY CERTIFICATE; REQUIREMENTS FOR DOING BUSINESS. (1) Upon receipt of the preliminary certificate from the commissioner a domestic society may solicit members to complete its organization. It shall collect from each applicant not less than one regular monthly payment, in accordance with its tables of rates as provided by its constitution and bylaws, and shall issue to each a receipt for the amount collected.

(2) The advanced payments shall, during the period of organization, be held in trust, and, if the organization is not completed within one year, returned to the applicants.

(3) No society shall incur any liability other than for the advanced payments, nor issue any benefit certificate, nor pay, allow nor offer or promise to pay or allow, to any person any death or disability benefit until the following requirements have been complied with:

(a) Actual bona fide applications for death benefit certificates providing coverage not less broad than coverage customarily pro-

vided by fraternal benefit societies, have been secured upon at least two hundred lives for at least one thousand dollars each, and all these applicants for death benefits have been regularly examined by legally qualified practicing physicians, and certificates of the examinations have been duly filed and approved by the chief medical examiner of the society.

(b) There have been established three subordinate lodges or branches into which the two hundred applicants have been initiated.

(c) There has been submitted to the commissioner, under oath of the president and secretary, or corresponding officers of the society, a list of the applicants, giving their names, addresses, date examined, date approved, date initiated, name and number of the subordinate branch of which each applicant is a member, amount of benefits to be granted, rate of stated periodical contributions, which shall be sufficient to provide for meeting the mortuary obligation contracted, when valued for death benefits upon the basis of the National Fraternal Congress Table of Mortality, as adopted by the national fraternal congress, August 23, 1899, or any higher standard at the option of the society, and for disability benefits by tables based upon reliable experience, and for combined death and permanent total disability benefits by tables based upon reliable experience, with an interest assumption not higher than four percent per annum.

(d) It has been shown to the commissioner, by the sworn statement of the treasurer or corresponding officer of the society, that at least two hundred applicants have each paid in cash at least one regular monthly payment as provided per one thousand dollars of indemnity to be effected, which payments in the aggregate shall amount to at least one thousand dollars, all of which shall be credited to the mortuary or disability fund on account of the applicants, and no part of which may be used for expenses.

18. Section 300.040 of the Kentucky Revised Statutes is hereby amended to read as follows:

FINAL CERTIFICATE OF COMPLIANCE TO A DOMESTIC SOCIETY; EXPIRATION OF PRELIMINARY CERTIFICATE AND CHARTER. (1) The commissioner may take such examination and require such further information of a domestic society completing organization as he deems advisable, and upon presentation of satisfactory evidence that the society has complied with

all the provisions of law, he shall issue to it a certificate to that effect. This certificate shall be prima facie evidence of the existence of the society at the date of the certificate. The commissioner shall cause a record of the certificate to be made, and a certified copy of this record may be given in evidence with the same effect as the original certificate. The commissioner shall refuse to issue such certificate if the society has not complied with the provisions of law, or if he finds, after a hearing thereon, that any individual associated or to be associated in the direction or management of the society is an untrustworthy person.

(2) No preliminary certificate shall be valid after one year from its date, or after a further period, not exceeding one year, as may be authorized by the commissioner, upon cause shown, unless the two hundred applicants required have been secured and the organization has been completed as provided. The articles of incorporation and all proceedings thereunder shall become null and void in one year from the date of the preliminary certificate, or at the expiration of the extended period, unless the society has completed its organization and commenced business as provided.

(3) When any domestic society has discontinued business for a period of one year, or has less than two hundred members, its charter shall become null and void.

19. Section 300.060 of the Kentucky Revised Statutes is hereby amended to read as follows:

ANNUAL LICENSE OF A DOMESTIC SOCIETY. (1) Each domestic society shall secure an annual license from the commissioner, and pay a fee of twenty dollars therefor. The authority to do business conferred by the annual license shall terminate on the succeeding July 1, but the license shall continue in force until a new license is issued or specifically refused.

(2) A duly certified copy of a license shall be prima facie evidence that the licensee is a fraternal benefit society.

20. Section 300.080 of the Kentucky Revised Statutes is hereby amended to read as follows:

ADMISSION OF A FOREIGN SOCIETY TO THIS STATE; REQUIREMENTS; COURT REVIEW OF COMMISSIONER'S REFUSAL TO ADMIT. (1) No foreign society shall transact any business in this state without a license from the commissioner. A

foreign society shall be entitled to a license to transact business within this state upon filing with the commissioner a duly certified copy of its charter or articles of association; a copy of its constitution and bylaws, certified by its secretary or corresponding officer; a power of attorney to the commissioner as provided; a statement of its business, under oath of its president and secretary, or corresponding officers, in the form required by the commissioner duly verified by an examination made by the supervising insurance official of its home state or other state, satisfactory to the commissioner; a certificate from the proper official in its home state or country that the society is legally organized; a copy of its contract, which must show that benefits are provided for by periodical or other payments by persons holding similar contracts. Upon the society paying a license fee of twenty dollars and furnishing the commissioner the foregoing and such other information as he may deem necessary to a proper exhibit of its business and plan of working, and upon showing that its assets are invested in accordance with the laws of the state or country where it is organized, the commissioner shall issue a license to the society to do business in this state until the first day of the succeeding July, provided, however, that the license shall continue in full force and effect until the new license is issued or specifically refused.

(2) Any foreign society desiring admission to this state shall have the qualifications required of domestic societies, and have its assets invested as required by the laws of the state or country where it was organized.

(3) When the commissioner refuses to license any society or revokes its authority to do business in this state, he shall reduce his ruling to writing, file it in his office, and, upon request, furnish a copy thereof, together with a statement of his reasons, to the officers of the society. The action of the commissioner shall be reviewable by proper proceedings in any court of competent jurisdiction within this state.

(4) Nothing contained in this section shall be construed to prevent any foreign society from continuing in good faith all contracts made in this state during the time the society was legally authorized to transact business herein.

21. Section 300.110 of the Kentucky Revised Statutes is hereby amended to read as follows:

QUALIFICATIONS FOR MEMBERSHIP. Any society may admit to beneficial membership any person who has been examined by a legally qualified physician, and whose examination has been supervised and approved in accordance with the laws of the society, or who has made declaration of insurability acceptable to the society; provided, that any beneficial member of a society who shall apply for additional benefits more than six months after becoming a beneficial member shall pass an additional medical examination, or make an additional declaration of insurability, as required by the society. Any person so admitted prior to attaining the full age of twenty-one years shall be bound by the terms of his or her application and certificate, and by all the laws, rules and regulations of the society, and shall be entitled to all the rights and privileges of membership therein, as fully and to the same extent as though he or she were not a minor at the time of applying for such beneficial membership. Nothing herein contained shall prevent such society from accepting general or social members, who shall have no voice or vote in the management of the insurance affairs of the society, nor from issuing juvenile certificates on the lives of children under the age of twenty-one years.

22. Section 300.120 of the Kentucky Revised Statutes is hereby amended to read as follows:

BENEFITS. Any fraternal benefit society authorized to do business in this state may provide for the payment of (a) death benefits in any form; (b) endowment benefits; (c) annuity benefits; (d) temporary or permanent disability benefits as a result of disease or accident; (e) hospital, medical or nursing benefits; and (f) monument or tombstone benefits to the memory of deceased members not exceeding in any case the sum of three hundred dollars. Any benefits authorized in this section, or combinations thereof, may be provided in the same or separate certificates.

Such society may grant loans, withdrawal equities, and such nonforfeiture options as its laws may permit, provided such grants shall in no case exceed in value the portion of the reserve to the credit of the certificate on which the same are made.

23. Section 300.140 of the Kentucky Revised Statutes is hereby amended to read as follows:

BENEFIT ON LIVES OF CHILDREN. (1) Any society may provide for benefits on the lives of children under twenty-one years

of age at time of application therefor, upon the application of some adult person, as its laws or rules may provide, which benefit shall be in accordance with the provisions of KRS 300.120 of this Chapter. A society may, at its option, organize and operate branches for such children. Membership and initiation in local lodges shall not be required of such children, nor shall they have a voice in the management of the society.

(2) The contributions to be made for death benefits under all juvenile certificates issued after December thirty-first, nineteen hundred fifty, shall be based upon the Standard Industrial Mortality Table or the American Experience Table of Mortality with Craig's or Buttolph's Extension thereof, or the American Men Ultimate Table of Mortality with Bowerman's Extension thereof, with an interest assumption of not more than three and one-half per cent per annum, or on any other standard now or hereafter authorized for use by domestic life insurers.

(3) Every society issuing such benefit certificates shall maintain on all such certificates not less than the reserve required by the standard of mortality and interest adopted by the society for computing contributions.

(4) Every society issuing such benefit certificates shall have the right to provide in its bylaws, rules or regulations, for payment on account of the society's expense or general fund, which payments may be mingled with general fund of the society. Such society shall have full power to provide for means of enforcing payment of contributions, designation of beneficiaries, and changing such designations, and in all other respects for the regulation, government and control of such certificates and all rights, obligations and liabilities incident thereto and connected therewith.

24. Section 300.150 of the Kentucky Revised Statutes is hereby repealed.

25. Section 300.160 of the Kentucky Revised Statutes is hereby amended to read as follows:

BENEFICIARIES. No beneficiary shall have or obtain any vested interest in the proceeds of any certificate until such certificate has become due and payable in conformity with the provisions of the membership contract. The insured member shall have the right at all times to change the beneficiary or beneficiaries in ac-

cordance with the constitution, bylaws, rules or regulations of the society. Every society may, by its constitution, bylaws, rules or regulations, limit the scope of beneficiaries.

26. Section 300.190 of the Kentucky Revised Statutes is hereby amended to read as follows:

FUNDS; MAINTENANCE AND USE. (1) A society may create, maintain, invest, disburse or apply an emergency, surplus or other similar fund in accordance with its bylaws. Unless otherwise provided in the contract, these funds shall be held, invested, and disbursed for the use and benefit of the society, and no member or beneficiary shall have or acquire individual rights therein or become entitled to any apportionment or the surrender of any part thereof, except as provided in KRS 300.120.

(2) The funds from which benefits are paid and the funds from which the expenses of the society are defrayed shall be derived from periodical or other payments by the members of the society and accretions to the funds. No society shall be incorporated or admitted to transact business in this state that does not provide for stated periodical contributions, sufficient to provide for meeting the mortuary obligations contracted, when valued upon the basis of the National Fraternal Congress Table of Mortality as adopted by the national fraternal congress, August 23, 1899, or any higher standard, with interest assumption not more than four percent per annum, nor write or accept members for temporary or permanent disability benefits except upon tables based upon reliable experience, with an interest assumption not higher than four percent per annum.

(3) Deferred payments or installments of claims shall be considered as fixed liabilities on the happening of the contingency upon which the payments or installments are thereafter to be paid. This liability shall be the present value of the future payments or installments upon the rate of interest and mortality assumed by the society for valuation, and every society shall maintain a fund sufficient to meet this liability, regardless of proposed future collections to meet the liabilities.

(4) Every provision of the bylaws of a society for payments by its members, in whatever form made, shall distinctly state the purpose of the payment and the proportion thereof that may be used for expenses. No part of the money collected for mortuary or

disability purposes or the net accretions therefrom shall be used for expenses.

27. Section 300.270 of the Kentucky Revised Statutes is hereby amended to read as follows:

ENJOINING DOMESTIC SOCIETY FROM DOING BUSINESS; APPOINTMENT OF RECEIVER; ACTION BY ATTORNEY-GENERAL. (1) When, after examination, the commissioner is satisfied that a domestic society has failed to comply with any provisions of this chapter, is exceeding its power, is not carrying out its contracts in good faith or is transacting business fraudulently, or, after an existence of one year or more, has a membership of less than two hundred, or shall determine to discontinue business, the commissioner may present the facts relating thereto to the Attorney-General.

(2) Upon the commissioner's request, the Attorney-General shall commence an action in quo warranto in a court of competent jurisdiction. The court shall thereupon notify the officers to the society of a hearing, and if it then appears that the society should be closed, it shall be enjoined from carrying on any further business, and some person shall be appointed receiver. The receiver shall proceed at once to take possession of the books, papers, moneys and other assets of the society, and shall forthwith, under the direction of the court, proceed to close the affairs of the society and to distribute its funds to those entitled thereto.

(3) Proceedings shall not be so commenced by the commissioner against the society until after notice has been duly served on the chief executive officers of the society, and a reasonable opportunity given to it, on a date to be named in the notice, to show cause why the proceedings should not be commenced.

(4) No application for injunction against or proceedings for the dissolution of or the appointment of a receiver for the society or branch thereof shall be entertained by any court in this state unless made by the commissioner, the Attorney-General representing him.

28. This act shall become effective on the first day of September, 1950.

2. The following sections of the Kentucky Revised Statutes are hereby repealed:

KRS 296.010	KRS 296.510	KRS 297.320	KRS 302.010
296.015	296.520	297.330	302.020
296.020	296.521	297.340	302.030
296.030	296.530	297.350	302.040
296.040	296.540	297.990	302.050
296.050	296.550		302.060
296.060	296.560		302.070
296.070	296.570	298.010	302.080
296.080	296.580	298.020	302.090
296.090	296.590	298.030	302.100
296.100	296.600	298.040	302.110
296.110	296.610	298.050	302.120
296.115	296.611	298.060	302.130
296.120	296.612	298.070	302.140
296.130	296.613	298.080	302.150
296.135	296.614	298.090	302.160
296.140	296.620	298.100	302.170
296.150	296.630	298.110	302.180
296.160	296.640	298.120	302.190
296.170	296.650	298.130	302.200
296.180	296.660	298.140	302.210
296.190	296.670	298.150	302.220
296.200	296.680	298.155	302.230
296.210	296.690	298.160	302.990
296.220	296.990	298.170	
296.230		298.180	
296.240		298.190	
296.250	297.010	298.200	
296.255	297.020	298.210	
296.260	297.030	298.220	
296.270	297.040	298.230	
296.280	297.050	298.310	
296.290	297.060	298.320	
296.300	297.070	298.330	

296.310	297.080	298.340
296.320	297.090	298.350
296.330	297.100	298.360
296.340	297.110	298.990
296.350	297.120	
296.360	297.130	
296.370	297.131	299.080
296.380	297.132	299.090
296.390	297.140	
296.400	297.150	
296.410	297.160	301.010
296.420	297.170	301.020
296.430	297.180	301.030
296.440	297.190	301.040
296.450	297.200	301.050
296.460	297.210	301.060
296.470	297.220	301.070
296.471	297.230	301.075
296.472	297.240	301.080
296.473	297.250	301.090
296.474	297.260	301.100
296.480	297.270	301.110
296.481	297.280	301.120
296.490	297.290	301.130
296.500	297.300	301.140
	297.310	

3. Section 299.010 of the Kentucky Revised Statutes is hereby amended to read as follows:

DEFINITIONS AND APPLICATION. (1) The provisions of this chapter do not apply to secret or fraternal societies, lodges, or councils that are under the supervision of a grand or supreme body and secure members through the lodge system exclusively, and pay no commissions and employ no agents except in the organization and supervision of the work of local subordinate lodges or councils, nor do they apply to companies, societies or associa-

tions organized under the authority and patronage of any church or religious denomination for the exclusive purpose of insuring the property of churches or religious denominations and the personal property of the pastors and ministers thereof against loss or damage by fire, lightning or storm.

(2) As used in this chapter, unless the context requires otherwise:

(a) "Director" or "Commissioner" means the Commissioner of the Department of Insurance.

(b) "Policy" means any policy, certificate of membership, or contract of insurance.

(3) "Company," as used in KRS 299.020 to 299.300 means any corporation, association or society transacting in this state a life or casualty insurance business, or both, upon the cooperative or assessment plan, as defined in KRS 299.020.

(4) "Company," as used in KRS 299.310 to 299.470 means any corporation organized under KRS 299.310 and 299.320 for the purpose of transacting, and any company heretofore organized under any similar law of this state or under the general corporation laws of this state that is transacting, the business of insurance against loss or damage to property by fire, wind or lightning, or by the explosion of natural or artificial gas, or hail, or explosion (except explosion by steam boilers or flywheels), or riot, or riot attending a strike, or aircraft, or smoke, or vehicles, upon the cooperative or assessment plan.

4. Section 299.030 of the Kentucky Revised Statutes is hereby amended to read as follows:

ORGANIZATION OF A DOMESTIC COMPANY. (1) Persons desiring to form an organization for the purpose of transacting the business of life or casualty insurance, or both, upon the assessment or cooperative plan, may associate together and effect an organization as prescribed in this section.

(2) Any number of persons not less than thirteen may associate to establish such an insurance company.

(3) In addition to the general requirements for all corporations, the articles of incorporation shall specify the class of insurance the company proposes to transact; and on what business plan or principle; the number and amount of agreements for insurance, if any; and such other facts as may be necessary to explain and

make manifest the object and purposes of the corporation. The words "insurance company" shall be a part of the title of every such corporation, and also the word "mutual".

(4) In addition to complying with the provisions of KRS 271.055, the incorporators shall file a certified copy of the articles of incorporation in the office of the commissioner.

5. Section 299.210 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) An assessment or cooperative life insurance company, including such companies as are organized under the provisions of KRS Chapter 303, may be wholly reinsured in, and its assets to the extent required to establish adequate reserves transferred to, and its liabilities assumed by a mutual or stock insurer pursuant to an agreement of reinsurance approved by the Commissioner of Insurance after such hearing as the Commissioner may require, and approved by two-thirds of the members of such company who are present at a meeting of such members duly called for such purpose, and vote thereon.

(2) Any such reinsurance agreement shall determine the amount of surplus, if any, of such cooperative or assessment company and shall make adequate provision for paying to the members of such company their respective shares of such surplus determined in such manner as may be approved by the commissioner.

(3) If the transfer or reinsurance is approved, every policyholder of the company who files with its secretary, within ten days after the meeting, written notice of his preference to be transferred to some other company than that named in the contract, shall be accorded all the rights and privileges, if any, in aid of the transfer, that would have been accorded under the terms of the contract had he been transferred to the company named therein.

(4) No domestic company shall transfer its risks or any part thereof to, or reinsure its risks or any part thereof in, any insurance company of another state or country that is not at the time of the transfer or reinsurance authorized to do insurance business in this state.

6. Section 299.260 of the Kentucky Revised Statutes is hereby amended to read as follows:

TYPES OF INSURANCE THAT MAY BE WRITTEN BY A REORGANIZED COMPANY; SEPARATION OF PREMIUM AND

REPORTS. If the articles of incorporation of the reorganized company so specify, the company may write any sort of business permitted by law to life insurance companies on the mutual or stock plan, and may also write life, health and accident insurance on the industrial plan.

7. A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.215, and to read as follows:

FEES OF THE DEPARTMENT OF INSURANCE: The commissioner shall collect and pay into the State Treasury the following fees relative to assessment or cooperative life or casualty insurance companies:

(1) For filing a copy of articles of incorporation of the company $10.00

(2) For filing annual statement of the company.....$10.00

No other charges than those provided in this section shall be made against assessment or cooperative life or casualty insurance companies by the Department of Insurance unless agreed to by the respective companies.

8. A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.480, and to read as follows:

ORGANIZATION OF A REINSURANCE COMPANY BY MUTUAL OR ASSESSMENT AND COOPERATIVE FIRE INSURANCE COMPANIES. Three or more domestic mutual or cooperative and assessment fire insurance companies may organize a reinsurance company to reinsure their risks by certifying to the commissioner their intention and filing with him certificates properly acknowledged showing the vote of the directors of the companies authorizing them to become members of the reinsurance company. The name of the reinsurance company shall be contained in the certificate to the commissioner and shall be approved by him. Such reinsurance company shall be a distinct corporation.

9. A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.481, and to read as follows:

ADMISSION AND WITHDRAWAL OF MEMBER COMPANIES. (1) Any domesitc mutual or assessment and cooperative fire insurance company may, with the consent of the directors of the reinsurance company, become a member thereof by filing with

the commissioner a certificate of its intention and a certificate showing the vote of its directors authorizing it to become a member of the reinsurance company.

(2) Any member company may, by paying its proportion of the liabilities of the reinsurance company then existing, withdraw its membership from a reinsurance company. The member company shall certify to the commissioner its intention to withdraw its membership, and give written notice to the secretary of the reinsurance company of its intention to withdraw thirty days in advance. Upon withdrawal of any member company the reinsurance company shall at once cancel all policies of insurance held by and through the company withdrawing.

10. A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.482, and to read as follows:

ISSUANCE OF POLICIES; RATES; DIRECTORS; LIABILITY OF MEMBER COMPANIES; LIMITATION OF RISKS. (1) Reinsurance companies formed under KRS 299.480 may issue policies of reinsurance to and through its member companies only, on their risks, and upon the terms and rates provided for by its bylaws. Such reinsurance companies shall have not less than five directors, and one director shall be chosen from the officers of each member company.

(2) The member companies shall be liable for the indebtedness of such reinsurance company, if its losses and expenses at any time exceed its income and assets, in the proportion of liability fixed by the bylaws of the reinsurance company. Such reinsurance comcompany shall not issue policies on one risk for a greater amount than a sum equal to three cents for each one hundred dollars insurance in force in its combined member companies.

11. A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.483, and to read as follows:

REINSURANCE OF RISKS BY MUTUAL OR ASSESSMENT AND COOPERATIVE FIRE INSURANCE COMPANIES. (1) Any domestic mutual fire insurance company, or any domestic cooperative and assessment fire insurance company, without amending its charter or articles of incorporation, may by policy, treaty or other agreement, cede to or accept from any other insurance company or insurer insurance or reinsurance upon the whole or any part of

any risk provided such other insurance companies or insurers shall at all times maintain the full standards of solvency required under laws of this state of like insurance companies or insurers.

(2) KRS 299.483 to 299.486 shall not empower any such mutual fire insurance company or any such cooperative and assessment fire insurance company to assume or carry insurance or reinsurance on any risk or class of risks prohibited in its charter, articles of incorporation or bylaws.

12. A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.484, and to read as follows:

FILING OF COPIES OF REINSURANCE CONTRACTS WITH THE COMMISSIONER; INSPECTION. (1) Complete copies of treaties and contracts for reinsurance, excluding policies for reinsurance, shall be filed with and approved by the commissioner.

(2) These copies of treaties of reinsurance shall be open at all times for inspection in the Department of Insurance, on application of any citizen of this state asking the name of the reinsuring company and the Department of Insurance on application shall furnish the name of the reinsuring company.

13. A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.486, and to read as follows:

ANNUAL REPORT ON PREMIUMS: TAX ON PREMIUMS PAID TO UNAUTHORIZED COMPANIES. All domestic mutual fire insurance companies referred to in KRS 299.470 or cooperative and assessment fire insurance companies shall, on December 31 of each year, file in the office of the commissioner a report showing the amount of premiums contracted for by them in a reinsurance company, and shall pay to the state a tax of two dollars on each one hundred dollars of the premiums paid to any company not authorized to do business in this state.

14. A new section of the Kentucky Revised Statutes is hereby enacted to be designated 299.490, and to read as follows:

FEES TO THE DEPARTMENT OF INSURANCE: The commissioner shall collect and pay into the State Treasury the following fees relative to assessment or cooperative fire insurance companies:

(1) For filing a copy of articles of incorporation of the company $10.00

(2) For filing annual statement of the company..... 10.00
(3) For filing papers and keeping records on change of territory 5.00

No other charges than those provided in this section shall be made against assessment or cooperative fire insurance companies by the Department of Insurance unless agreed to by the respective companies.

29. Section 299.350 of the Kentucky Revised Statutes is amended to read as follows:

ANNUAL MEETING: BYLAWS: BOOKS. (1) The regular meeting of the company shall be held as prescribed in the bylaws, and if not otherwise provided for shall be held on the second Tuesday of January each year. At this meeting each person insured shall have one vote, and those having two thousand dollars insurance two votes, and an additional vote for each additional one thousand dollars insurance, or each policyholder shall be entitled to only one vote where the bylaws so provide. Voting may be by proxy under the rules and regulations prescribed by bylaws, unless prohibited by the bylaws.

(2) Every company may make and enforce bylaws not inconsistent with the laws of this state or of the United States, by a two-thirds vote of the directors at any meeting. Any amendment may be made to the bylaws if presented to the president thirty days before any meeting.

(3) The directors shall procure proper books in which the secretary shall keep a record of all transactions of the company and of the board of directors. The books shall show at all times the condition, affairs and business of the company, and shall be open for the inspection of members of the company on any day from 9 a.m. until 4 p.m., Sundays and legal holidays excepted.

By Mr. Morgan.

H. B. No. 117. AN ACT relating to trade practices.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (1) of Section 365.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as provided in KRS 365.040, no person engaged in business within this state shall sell, offer for sale or advertise for sale any article or product, or service or output of a service trade, at less than the cost thereof to such vendor, or give, offer to give or advertise the intent to give away any article or product, or service or output of a service trade, for the purpose of injuring competitors and destroying competition. Evidence of advertisement, an offer to sell, or sale of any article or product, or service or output of a service trade, at less than cost (as defined in this section) shall be prima facie evidence of intent to injure competitors and to destroy competition.

Ordered that said bill be printed and referred.

Mr. Hayes moved that the House do now take up for consideration from the Clerk's desk a resolution of the following title, viz:

S. Res. No. 11. A JOINT RESOLUTION petitioning Congress to provide for the canalization of the Big Sandy River.

Mr. Burnley moved that consideration of said resolution be made a Special Order of the Day for the hour of 2 o'clock, p.m., Friday, January 27, 1950.

Mr. Weintraub moved to amend said motion as made by Mr. Burnley in that consideration of said resolution be made a Special Order of the Day for the hour of 2 o'clock, p.m., Thursday, January 26, 1950.

Said motion as made by Mr. Weintraub was agreed to.

Said motion as made by Mr. Burnley was then disagreed to.

(For resolution see H.J. of January 18, 1950, ante.)

Mr. Burnley offered the following amendment to said resolution, viz:

Amendment No. 1.

Amend printed copy of S. Res. No. 11, that said resolution be amended by adding at the end thereof the following:

That Congress is further memorialized to provide for the canalization of Massac Creek in McCracken County, which Creek is practically in the center of the K.O.W. territory, and the major portion of which territory has been sold to farmers who will raise farm products, and the canalization of the Creek will provide such farmers with an additional and convenient means of transportation of their products which will enable them to deliver their products to market without as much delay as they will otherwise incur; and

WHEREAS, an emergency is declared to exist and immediate action by Congress is requested to expedite the situation.

Mr. Drury moved that said amendment be laid on the table.

Said motion was disagreed to.

Mr. Hayes raised the point of order that the aforesaid amendment offered by Mr. Burnley was not in order for the reason that said amendment was not germane to the resolution.

Mr. Waterfield arose to a point of information and requested the Speaker to rule on the point of order as raised by Mr. Hayes.

The Speaker ruled that the point of order as raised by Mr. Hayes was not well taken.

Mr. Waterfield offered the following amendment to Amendment No. 1, viz:

Amendment No. 1 to Amendment No. 1.

Wherever the words "Massac Creek in McCracken County" is found in the amendment, insert immediately thereafter the following:

and Obion Creek in Hickman, Carlisle and Graves Counties.

Mr. Hammons offered the following amendment to Amendment No. 1 to Amendment No. 1, viz:

Amendment No. 1 to Amendment No. 1 to Amendment No. 1.

Amend the amendment to the amendment--After "Obion Creek in Hickman, Carlisle and Graves County," add "and Stinking Creek in Knox County."

Mr. William Jones offered the following amendment by way of substitute therefor to Amendment No. 1 to Amendment No. 1 to Amendment No. 1, viz:

"Amend the amendment to the amendment by way of substitute the following: Eddie Creek in Caldwell County."

Said amendment to Amendment No. 1 to Amendment No. 1 to Amendment No. 1 by way of substitute therefor was disagreed to.

Said Amendment No. 1 to Amendment No. 1 to Amendment No. 1 was disagreed to.

Mr. Hayes moved the Previous Question on Amendment No. 1 to Amendment No. 1.

Whereupon, the Speaker announced, "Shall the Main Question on Amendment No. 1 to Amendment No. 1 to said bill be now put?"

Which was decided in the negative.

Mr. Losey moved that the House do now adjourn to meet again at 1 o'clock, p.m., Tuesday, January 24, 1950.

Said motion was disagreed to.

Mr. Burnley moved that said resolution be committed to a committee.

Said motion was disagreed to.

Said Amendment No. 1 to Amendment No. 1 to said resolution was then disagreed to.

Said Amendment No. 1 to said resolution was then disagreed to.

Mr. Hayes moved the Previous Question on said resolution.

Whereupon, the Speaker, announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Said resolution was then concurred in.

Mr. Hayes moved that the vote by which said resolution was adopted be reconsidered and that said motion be laid on the table.

Said last name motion was agreed to.

Mr. Snapp of the Committee on Veterans' Affairs, to which the same had been referred, reported a bill of the following title, viz:

H. B. No. 92. AN ACT relating to the Adjutant General.

With the expression of opinion that same should pass.

Whereupon, said bill was read at length for the first time and

Ordered placed in the Calendar.

Mr. Snapp of the Committee on Veterans' Affairs, to which the same had been referred, reported a bill of the following title, viz:

H. B. No. 28. AN ACT exempting war veterans from poll taxes; amending subsection (2) of Section 142.020 of the Kentucky Revised Statutes.

With the expression of opinion that same should not pass.

No motion having been made to advance said bill to a first reading, the report of the Committee to the contrary notwithstanding, and no further action having been taken on said bill, it was ordered that said bill be not read at length the first time.

And so said bill was rejected.

CALENDAR

The House took up for consideration from the Calendar a resolution of the following title, viz:

H. Res. No. 6. A JOINT RESOLUTION providing for an inquiry into and investigation of the affairs, activities and management of the Department of Kentucky State Police; providing for a committee to make such inquiry and investigation and prescribing its powers and duties; providing for the appropriation and disposition of funds for such committee, and declaring an emergency.

Ordered that said resolution be read at length the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said resolution be dispensed with, and the same be read for the second time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provisions as to the second reading at length of said resolution having been dispensed with, said resolution was read for the second time by its title only and

Ordered placed in the Orders of the Day.

Mr. Maurice G. Howard moved that the House do now adjourn to meet again at 1 o'clock, p.m., Thursday, January 24, 1950.

Said motion was disagreed to.

Mr. Baer moved that the rules be suspended and that leaves of absonce be granted to Mr. McClain, Mr. Preston and Mr. Rayburn.

Said motion was agreed to.

Mr. Burnley moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Smith moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Houpt moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Shannon moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Bill Adams moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that

had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the chief Clerk was so instructed.

Mr. Hammons moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Baumgardner moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Deering moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Jonas moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Jornal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Drury moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a

roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Horn moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Steers moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Bailey moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Durham W. Howard moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Lambert moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Maurice G. Howard moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Taylor moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Estepp moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Helm moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. William L. Jones moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Ruh moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Wirsch moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Walter moved that the rules be suspended and the Chief Clerk be instructed to have recorded in the Journal that had a roll call been taken on the adoption of S. Res. No. 11 he would have voted in the negative.

Without objection, said motion was agreed to, and the Chief Clerk was so instructed.

Mr. Holbrook moved that the rules be suspended for the purpose of introducing bills.

Said motion was agreed to by a majority of the members elected.

Thereupon, bills of the following titles were introduced, viz:

By Mr. Holbrook.

H. B. No. 118. AN ACT relating to parking meters in citles of the fifth and sixth classes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

No city of the fifth or sixth class shall install, or allow to be installed, parking meters on any city street over which a Federal highway is routed.

By Mr. Polsgrove.

H. B. No. 119. AN ACT to amend Section 289.290 KRS relating to the amendment of Articles of Incorporation of Building and Loan Associations.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Whereas: Stockholders in Building and Loan Associations organized in the State of Kentucky under Chapter 289 of the Kentucky Revised Statutes are all of one class, without special or preferred status among themselves, their interests being mutual and identical, and are so numerous the provisions of Section 271.445 relating to the requirements of amending the Articles of Incorporation organized under Chapter 271 of the Kentucky Revised Statutes shall not apply to Building and Loan Associations organized under Chapter 289 of the Kentucky Revised Statutes. Therefore Section 289.290 of the Kentucky Revised Statutes be and is hereby amended to read as follows:

Sec. 1. Any Association organized and operating under and by virtue of this chapter may amend its articles of incorporation and by-laws by a two-thirds vote of its Board of Directors adopted at a regular meeting of the Board of Directors, provided a written notice of such amendment be mailed to each member of the Board 30 days prior to the meeting at which the amendment is to be adopted. Before such amendment shall become effective it shall present to the Director of Banking copies of such amendment in triplicate signed and acknowledged by a majority of its Directors and shall obtain the written approval of the amendment by the Director of Banking.

By Mr. Holbrook.

H. B. No. 120. AN ACT relating to proceeding before grand juries, amending section 110 of the Criminal Code of Practice.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 110 of the Criminal Code of Practice is amended to read as follows:

(1) No person except the Commonwealth's and county attorneys and the witness under examination shall be present while the grand jury is examining a charge, and no person whatever while they are deliberating or voting on the charge, except that the Commonwealth's Attorney, in his discretion, may order a stenographer, who shall be appointed by the circuit judge, to attend any session of the grand jury in any county of said district, and to be present during the examination of any witness or witnesses before the grand jury for the purpose of making a full and complete record of the testimony of the witnesses.

(2) The Commonwealth's Attorney shall order the record of testimony provided for in subsection (1) to be taken either in shorthand or in longhand script. However, no person testifying before a grand jury shall be required to sign any statement embodying testimony given before the grand jury unless such statement is typewritten or is in clearly legible longhand script.

(3) The stenographer shall be compensated out of the county treasury, on order of the circuit court, at the rate of ten dollars per day for each day spent in recording the proceedings before the grand jury and, except as provided in subsection (4) of this section, shall receive no other compensation for such duties.

(4) Any person indicted by any grand jury for any crime or misdemeanor shall have a right to procure a copy of the stenographic record or any part thereof by paying a fee of 15c per page to the stenographer. On order of the Commonwealth's Attorney, the stenographer shall furnish to him a transcript of the stenographic record or a part thereof but shall receive no fee for making such transcript.

(5) The stenographer, before entering upon the duties set out in this section, shall be required to qualify by taking the oath required by the officers under the Constitution of Kentucky to faithfully discharge the duties as such, and shall further be sworn not to disclose or make known, directly or indirectly, to any person or persons, anything that occurred, was stated, or given in evidence, or transpired, bearing upon the case or investigation before the grand jury.

Ordered that said bills be printed and referred.

The Speaker announced that he had referred bills heretofore introduced as follows, viz:

H. B. No. 72—Committee on Kentucky Statutes No. 1

H. B. No. 99—Committee on Kentucky Statutes No. 1

H. B. No. 100—Committee on Kentucky Statutes No. 1

The Chief Clerk produced and read the following communications, viz:

THE WHITE HOUSE
WASHINGTON

January 13, 1950

My dear Mr. Dugan:

The President has received the copy of the Joint Resolution adopted by the General Assembly of Kentucky which you forwarded to him. Please assure the members of the Assembly that he highly appreciates the invitation extended to him through the Resolution, and deeply regrets that he is unable to accept it. He is, of course, fully aware of the signifiicance of this event and he is extremely sorry that his heavy schedule precludes the pleasure of his participation in these memorable ceremonies. The President extends his sincerest good wishes for a happy and successful celebration.

Very sincerely yours,
/s/ Matthew J. Connelly
Secretary to the President

Honorable John F. Dugan
Clerk of the Senate,
The General Assembly of Kentucky,
Frankfort,
Kentucky

Mr. Woodrow Hollan, Representative
Kentucky Legislature
Frankfort, Kentucky

My Dear Mr. Hollan:

It is with much pleasure that I have in writing you as the State Representative from the Breathitt and Lee County District, the district that the good people elected me to represent them from 1936 to 1938, and furthermore that you are one of my former students, it gives me great pleasure to know that Breathitt and Lee Counties will be well represented for the next two years. May the Lord guide you in helping to make many good and needed laws for our Commonwealth. I am glad that I am located in the city of Frankfort where I can attend some of the sessions. Mr. Hollan, I am the Principal of the Kentucky Training Home in Frankfort, and if it is not out of order I would like for you to ask the House of Representatives to allow me to bring to the House, preferably some afternoon, my rhythm band, and quartet, from the Kentucky Training Home, and let the ladies and gentlemen of the House see what we are doing. The program will not be over 30 minutes long and I'm sure they will all enjoy our program. The people of Kentucky often hear about our work but do not have the opportunity to see what we are doing. We are looking forward to the time that we will be able to render this program before the Kentucky House of Representatives. Please let us know as soon as you obtain this permission and the necessary plan will be made for this occasion. You may reach me between the hours of 8:00 A.M. and 3:30 P.M. daily Monday through Friday. Telephone 2700—Extension 31x.

I am,

Very truly yours,
s/ L. K. Rice, Principal
Kentucky Training Home
Frankfort, Kentucky

Mr. Hanratty moved that the House do now adjourn to meet again at 1 o'clock, p.m., Tuesday, January 24, 1950.

Said motion was agreed to.

And then the House adjourned.

TUESDAY, JANUARY 24, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend O. Leland Gilmore, pastor of the First Presbyterian Church, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	Owen Deering	Paul S. Jonas
*Bill Adams	G. I. Drury	Barkley Jones
Edgar Arnett	Thomas R. Duncan	William Jones
Sidney Baer	*R. C. Estepp, Sr.	*James W. Lambert
Clarence J. Barnum	Mitchell S. Fannin	*Jesse H. Lawrence
C. E. Baumgardner	Henry C. Hale	Mrs. J. T. Linton
Leonard T. Bean	*C. A. Hammons	*Homer E. Losey
*John D. Beatty	James P. Hanratty	A. L. (Chick) Love
Fred Beshear	George F. Harris	Harry K. Lowman
*R. O. Blevins	Paul E. Hayes	True Mackey
L. E. Bradley	John A. Head	Damon Majors
Edw. O. Bridgers	*Harold G. Helm	*John Martin
*Thos. L. Britton	William K. Henry	*Wm. T. Marshall
Charles J. Bronston	E. R. Hilton	Jack McPherron
J. D. Buckman, Jr.	Ray Holbrook	*Alton Mitchell
Mrs. Mary E. Burnett	Woodrow W. Hollan	Archie R. Moore
Charles W. Burnley	Chester J. Holsclaw	*Emmett G. Moore
Alex Calvert	W. M. Horn, Jr.	Walter R. Moorman
Stanley Carter	Richard R. Houpt	Fred H. Morgan
Paul Combs	Durham W. Howard	C. S. Nabb
Josh R. Cosby	Maurice G. Howard	Dr. C. E. Palmore
*B. H. Crider	Robert N. Hubbard	James H. Polsgrove

Leonard W. Preston	Forest Smith	Ralph N. Walter
*Hobart Raymond	Joseph T. Snapp	*Fred M. Warns
Carl J. Ruh	John M. Spaulding	Harry Lee Waterfield
Amos Runyan	J. Claude Stacy	*Lyle H. Webb
Dr. Roy Sanders	Roy Steers	Morris Weintraub
*LeRoy Saylor	Raymond D. Stigall	Geo. F. Williamson
Roy Searcy	Mrs. Thelma Stovall	*Charles W. Wirsch
Paul E. Shannon	*Egbert V. Taylor	Adron Doran,
*James S. Shaw	M. G. Thompson	Speaker
Gus Sheehan, Jr.	Rev. T. H. Tinsley	*Republicans
Jesse H. Shelton		—95

Mr. Baer moved that leaves of absence be granted to Messrs. Bailey, Jacobs, McClain, Reasor and Stringer.

Said motion was agreed to.

Mr. Harris moved that the reading of the Journal of the proceedings of Monday, January 23, 1950, be dispensed with, and the same be approved.

Mr. Waterfield moved that the rules be suspended and the privilege of the floor extended to Mr. Horney Pewitt.

Said motion was unanimously agreed to.

Mr. Taylor moved that the rules be suspended and the privilege of the floor extended to Mr. Harry Ronald.

Said motion was unanimously agreed to.

Mr. Cosby moved that the rules be suspended and the privilege of the floor extended to Miss Blackburn.

Said motion was unanimously agreed to.

A resolution of the following title was introduced, viz:

By Mr. Ruh.

H. Res. No. 17. A JOINT RESOLUTION PROVIDING FOR Homecoming Year in the Commonwealth of Kentucky in

cooperation with the State Chamber of Commerce, and further providing that the Governor of the Commonwealth may use from his emergency fund, within his discretion, such sums as may be deemed necessary to properly advertise and promote the "Homecoming Year"; and declaring an emergency.

Said resolution is as follows, viz:

PREAMBLE

WHEREAS, Doctor Thomas Walker of Virginia crossed Cumberland Gap on April 29, 1750, and discovered the Kentucky River, which he called the Louisa, and shortly thereafter discovered the Big Sandy River, and,

WHEREAS, since that time Kentucky has been a State of tradition, history and contribution to progress, general welfare and government of the Nation, and

WHEREAS, Daniel Boone entered this State in 1769 from North Carolina as a hunter and explorer, reached Red River in 1769 and the Ohio River the first time in 1770, and

WHEREAS, there were a group of people composed of Skinny Sam Kirby and others who were known as "Long Hunters," so-called because they were absent for a great period of time from their homes in North Carolina and Virginia on their trapping, hunting and exploring trips west of the Allegheny Mountains in Kentucky, and

WHEREAS, in the 1770's Simon Kenton explored the Ohio River, the Kentucky River, and Licking River, and Captain Thomas Bullitt explored the Ohio River, Limestone Creek and Maysville region and Colonel Richard Henderson in the same year established the Company of Henderson and Company and was granted two hundred thousand (200,000) acres on the Ohio River south of Green River, and

WHEREAS, in 1775 Henderson called together the first legislative body in what is now Kentucky, what was then Boonesborough, Virginia, and

WHEREAS, the great explorer and developer of the West, Major General Rogers Clark during that part returned home and made his home permanently in Kentucky in 1776, and

WHEREAS, Harrodsburg, Kentucky, Boonesborough, Kentucky and Bryan's Station were established and fortified in the years 1774 and 1775, and

WHEREAS, in 1780 Virginia granted land in what is now Kentucky for educational purposes, and

WHEREAS, as a result Transylvania Seminary was established, which later became Transylvania University, now located at Lexington, Kentucky, and

WHEREAS, in 1776 the territory now comprising Kentucky was designated as Kentucky County, Virginia, such territory theretofore being a part of Fincastle County, Virginia, and

WHEREAS, Kentucky County, Virginia, was in 1780 divided into three counties—Jefferson, Lincoln and Fayette, and

WHEREAS, Danville, Kentucky, became the Capital of Kentucky until its admission as a State in 1792, and in Danville, Kentucky, the conventions were held from 1784 until 1792 to consider separation from Virginia, and

WHEREAS, in 1786 and prior to the separation of Kentucky from Virginia in 1792 the towns of Frankfort, Stanford and Washington were established, and

WHEREAS, by an Act of the Virginia Legislature the town of Louisville was established on the falls of the Ohio, and

WHEREAS, Kentucky has been a leader in the development of outstanding ability with its citizens as demonstrated as follows:

1. The first physician and teacher in Kentucky were in 1775. Both were of the Catholic faith. Doctor Hart and William Goomes settled at Harrods Station and later moved to Bardstown, and

WHEREAS, an aged and honorable religious group have contributed to the history of Kentucky in the establishment of Trappists came to Kentucky in 1805, and

WHEREAS, the first protestant church west of the Alleghanies was established at "Old Mulkey" in Monroe County, Kentucky, which has heretofore by the General Assembly been declared to be a State park, and

WHEREAS, the Presbyterian Church established the first Synod at Lexington, Kentucky, in 1802 under the direction of Reverend David Rice; the Baptist Church in the same year under the direction of Reverend Lewis Craig and the Reverend John Taylor; the Methodist Church under the direction of Bishop Asbury, William McKendree and Henry B. Bascom; the Christian Church under the direction of Alexander Campbell and Barton Warren Stone; the Cumberland Presbyterian Church under the direction of Finis Ewing and F. R. Cossett and The Episcopal Church under the direction of the Reverend George T. Chapman, Bishop B. B. Smith and the Reverend Benjamin O. Peers, and

WHEREAS, the first institution for the treatment of mental ailments in the West and the second such institution in the United States was established at Lexington, Kentucky, in 1816 with State support, and

WHEREAS, Transylvania University, as heretofore mentioned, became the first collegiate institution in Kentucky as Transylvania Seminary in 1783, and

WHEREAS, the first steamboats in the world were built by Kentuckians, to-wit: John Fitch in 1787, 1788 and 1789, who conceived the idea in 1780, and by James Rumsey in 1787 and 1793, and

WHEREAS, the first tobacco inspection in the world from the standpoint of sale occurred at the mouth of Hickman's Creek on the Kentucky River in 1783, and

WHEREAS, the first locomotive in the world was built in the winter of 1826-27 by Thomas H. Barlow at Lexington, Kentucky, and

WHEREAS, the first iron furnace in the production of iron west of the Alleghany Mountains was established near Owingsville, Kentucky, in Bath County, by Jacob Meyers, and

WHEREAS, the first railroad tracks in the West and the second in the United States from Lexington to Frankfort, Kentucky, begun in 1831 and finished in 1835, and

WHEREAS, the first road in Kentucky, called "Trace" in

those days, was marked out by Daniel Boone in 1775 from Cumberland Gap to Boonesborough under contract with the new proprietary government of Henderson and Company, and

WHEREAS, the first macadamized road was constructed in 1829 from Maysville to Washington and later extended to Lexington, and

WHEREAS, Kentucky became famous for the first bourbon whiskey made in 1789 at Georgetown near Royal Spring, and

WHEREAS, the first horse races west of the Alleghanies occurred at Harrodsburg, Kentucky in 1783 (and it is interesting to note that one Hugh McGary was tried and found guilty as an infamous gambler and not eligible to any office of trust or honor within this State for betting twelve pounds upon the race) and

WHEREAS, in the War of 1812 the victories of Kentucky troops in Canada both in the Battle of the Thames and in MacArthur's raid to Niagara Falls through Canada's lower peninsula between Detroit and Buffalo meant that the line held by the British Indians from St. Louis and Indianapolis through to Columbus and Pittsburgh was broken and the great middle-west of this Country exists as a result of the valor and victories of Kentucky troops in these battles, and

WHEREAS, Kentuckians from the time that they ceased to be Virginians have given of their services with patriotism to their country, first, in the Revolutionary War, second, in the French and Indian War, third, in the War of 1812, fourth, in the Mexican War, fifth, the Civil War, sixth, the Spanish-American War, seventh, World War 1, and eighth, World War Number Two, and

WHEREAS, Kentucky was united in all of these wars, except one, to fight the common enemy, and

WHEREAS, in the Civil War Kentucky gave to the North her Northern Kentucky sympathizers and the native Kentuckian as their leader, Abraham Lincoln, and gave to the South native Kentuckians and their leader Jefferson Davis, and

WHEREAS, Bowling Green, Kentucky was the first Capital of the Confederacy, and

WHEREAS, Kentucky has given to the Nation many sol-

diers, statesmen and diplomats including Zachary Taylor as the President of the United States, three Vice Presidents, Richard Mentor Johnson, John Cabell Breckinridge and Alben W. Barkley, and

WHEREAS, Kentucky has given of its legal talent many Justices on the Supreme Court of the United States, and

Whereas, natives of Kentucky are highly appreciative of the fact that in this homecoming year Kentucky enjoys the distinction of having as the Vice President of the United States Alben W. Barkley and the Chief Justice of the Supreme Court of the United States, Fred M. Vinson, and

WHEREAS, Kentucky natives or descendants of Kentucky natives have achieved success and prominence in every State in the Union as statesmen, many of whom have been elected Governors of many of our sister states, and

WHEREAS, we believe that the entire Commonwealth of Kentucky and the natives of Kentucky who have migrated therefrom and their descendants would like to view these historical places and have renewed pride in the great State of the Union and in the people within whose veins run Kentucky blood. No state can claim greater credit in the field of science, invention, politics or government, and

WHEREAS, the General Assembly of the Commonwealth of Kentucky, and as it is advised the Governor of the Commonwealth of Kentucky, desire to cooperate with the forward-looking progressive State Chamber of Commerce in continuing to make Kentucky a better State and in asking those who have left their own old Kentucky home, or those whose ancestors lived in an old Kentucky home, to return and see the State that at the end of the Civil War brought union to the Nation by reuniting the stars in the field of blue and by joining together the stripes of red and white into one flag that stands out today as the Nation of the World that believes in peace, humanity and general welfare of its citizens, NOW THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. The Governor of the Commonwealth of Kentucky shall

designate by proclamation setting forth the homecoming period in Kentucky as beginning on the two hundredth (200th) anniversary of the entry of Thomas Walker into this State, such date being April 29, 1750; and such homecoming to begin April 29, 1950.

2. That the Governor of Kentucky shall appoint a Committee of citizens of the Commonwealth to cooperate with a like Committee appointed by the State Chamber of Commerce of the Commonwealth of Kentucky in arranging for various dates and periods for receptions and celebrations for the homecoming citizens at various points of historical interest in Kentucky, and including the points of interest in the newly developed program of parks under the Department of Conservation:

3. The Governor of Kentucky is hereby further authorized and requested by the General Assembly of Kentucky in cooperation with the State Chamber of Commerce to expend from his emergency fund such funds as in his discretion will be deemed necessary to properly publicize and invite natives of Kentucky and all descendants of native Kentuckians now living beyond the borders of the Commonwealth of Kentucky to return and see either their forebearers' old Kentucky home.

4. WHEREAS, in order to accomplish the purposes of this Resolution it is essential that the Resolution become effective before April 29, 1950, an emergency is declared to exist and this Resolution shall take effect upon its passage and approval by the Governor.

Ordered that said resolution be printed and referred .

Bills of the following titles were introduced, viz:

By Mr. Weintraub.

H. B. No. 121. AN ACT relating to juries, in police courts in cities of the second class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. A new section of the Kentucky Revised Statutes is created to be numbered 29.135 and to read as follows:

In any county containing a city of the second class, the circuit judge, or where the court has divisions, the judge of the common-law and equity division, shall, at the same time that he draws the names of the circuit court jurors pursuant to KRS 29.130, draw sufficient additional names to procure a list of twenty-four names of persons resident within the city. This list of twenty-four names shall be certified by the judge who drew them, sealed in an envelope and delivered forthwith to the judge of the police court.

Sec. 2. Subsection (2) of Section 26.400 of the Kentucky Revised Statutes is amended to read as follows:

In cities of the second class, the police court may use a jury in any case, and where the penalty may be a fine of twenty-five dollars or more or imprisonment, other than in commutation of a fine, the accused may, at or before the time the case is called for trial, demand a jury. The judge shall direct any police officer to summons from the list of jurors provided pursuant to KRS 29.135, and at least three days before they are required to appear, such number of jurors as the judge shall designate. If necessary to provide time to summons jurors the judge shall continue the case. The court shall have the same power of circuit courts to hold or excuse the attendance of jurors. If the court is unable to obtain a jury from the regular jury panel, the judge may order any police officer to summon sufficient bystanders to complete the jury. Police court jurors shall receive the same fees as are paid to circuit court jurors.

H. B. No. 122. AN ACT relating to the taking of depositions in a criminal case, amending Section 153 of the Criminal Code of Practice.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

If it appear by affidavit that a material witness is about to

leave this State without the procurement or consent of the defendant, or is physically unable to attend for examination in court; or that his death is apprehended; or that he is a non-resident of this State, and beyond the reach of the process of the court, the defendant may take his deposition upon reasonable notice to the attorney for the Commonwealth and said deposition shall be taken in all respects as is prescribed by the Civil Code in taking depositions in civil cases.

By Messrs. Smith, Morgan and Carter.

H. B. No. 123. AN ACT relating to elections, including all the elections provided for by Chapter 89 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Any person committing an act in connection with any election held under the provisions of KRS Chapter 89, which act, if committed in a regular election would subject the person to a penalty under the provisions of KRS Chapters 123 or 124, shall be subject to the same penalty provided therein for such an act.

By Mr. Maurice G. Howard.

H. B. No. 124. AN ACT relating to auctioneers.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No person shall engage in or conduct, or offer to engage in or conduct, for compensation, the trade or business of auctioneering in this state unless such person shall hold a license as hereinafter provided for. This Act shall not apply to tobacco auctioneers.

Sec. 2. (1) A license to engage in or conduct the trade of auctioneering may be obtained from the Department of

Revenue on payment of a fee of ten dollars therefor. All licenses shall be procured on July 1, or thereafter, of each year and shall expire on June 30 of the next year. No license shall be valid for longer than one year.

(2) In order to qualify for a license under this Act a person must be a resident of this state and must present satisfactory proof of graduation from an auctioneering school, except that the educational requirement shall be waived for any person offering satisfactory proof that he has been engaged in the bona fide business of auctioneering for a period of at least one year prior to the effective date of this Act.

(3) At the time a person procures a license under this Act he shall give a bond to the Commonwealth of Kentucky in the penal sum of $1,000 conditioned upon the lawful and proper conduct of the business of auctioneering under the license.

Sec. 3. Nothing in this Act shall be deemed to take away from any county or city any right or rights which they may now have, or may hereafter have, to levy a license tax on persons engaging in or conducting the trade or business of an auctioneer.

Sec. 4. The Department of Revenue shall have power to revoke an auctioneer's license upon the conviction of the auctioneer by any court of competent jurisdiction of this state of any of the offenses hereinafter set out or upon a finding by the Department of Revenue that such auctioneer is guilty of any of the offenses hereinafter set out, to wit:

(1) fraud;

(2) failing to account for or to remit any money or properties coming into his possession which belong to others;

(3) forgery, embezzlement, obtaining money under false pretense, larceny, conspiracy to defraud, or like offense or offenses;

(4) false representations as to the origin, genuineness, cost to seller, value, or other matters relating to the sale of any property then or thereafter to be offered for sale at auction;

(5) conviction of any crime involving moral turpitude either in this state or any other state;

(6) making any false statement in the application for license;

(7) violating any of the provisions of the laws of this State relating to sales at auction. Provided, that no license shall

be revoked upon a finding by the Department of Revenue, except by charges preferred. The accused shall be furnished a written copy of such charges and given not less than 20 days' notice of the time and place the Department of Revenue shall accord a full and fair hearing on the charges. From any action of the Department of Revenue depriving the accused of his license, the accused shall have the right of appeal to the circuit court of Franklin County upon filing notice of appeal within 10 days of the decision of the Department of Revenue. The trial in the Franklin Circuit Court shall be heard de novo.

Sec. 5. All funds received under this Act shall be paid into the State Treasury and credited to a revolving fund to be used for the administration and enforcement of this Act.

Sec. 6. (1) Any person violating section 1 of this Act shall be fined not less than $200 nor more than $500 for each offense.

(2) Any person found guilty of any of the offenses set out in section 4 of this Act, in addition to the possible loss of license, shall be fined not less than $100 nor more than $250 for each offense.

Sec. 7. This Act shall take effect July 1, 1950.

By Messrs. Harris and Barkley Jones.

H. B. No. 125. AN ACT relating to the crime of rape.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 435.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who commits rape upon a child under fourteen years of age shall be punished by confinement in the penitentiary for life, or by death.

(2) Any person who attempts to commit rape upon a child under fourteen years of age shall be confined in the penitentiary for not less than five nor more than twenty years.

Sec. 2. Section 435.090 of the Kentucky Revised Statutes is amended to read as follows:

Any person who unlawfully carnally knows a female of and above fourteen years of age against her will or consent, or by force or while she is insensible, shall be punished by death, or by confinement in the penitentiary for life without privilege of parole, or by confinement in the penitentiary for life, or by confinement in the penitentiary for not less than ten years nor more than twenty years.

By Mr. Mackey.

H. B. No. 126. AN ACT to amend and re-enact Section 145 of the Constitution of the Commonwealth of Kentucky.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. That upon the concurrence of three-fifths of all the members elected to each House of the General Assembly, the ayes and nays being taken thereon and entered in full in their respective Journals, Section 145 of the Constitution of the Commonwealth of Kentucky be amended, extended and reenacted so that as so amended, extended and reenacted it will read as follows:

2. "145. QUALIFICATIONS OF VOTER. PERSONS DISFRANCHISED. Every citizen of the United States of the age of eighteen years who has resided in the state one year, and in the county six months, and the precinct in which he offers to vote sixty days next preceding the election, shall be a voter in said precinct and not elsewhere; but the following persons are excepted and shall not have the right to vote.

"1. Persons convicted in any court of competent jurisdiction of treason, or felony, or bribery in an election, or of such high misdemeanor as the General Assembly may declare shall operate as an exclusion from the right of suffrage, but persons hereby excluded may be restored to their civil rights by executive pardon.

"2. Persons who, at the time of the election, are in confinement under the judgment of a court for some penal offense.

"3. Idiots and insane persons."

3. That this amendment shall be submitted to the voters

of the State for their ratification or rejection at the time and in the manner provided for under Section 256 of the Constitution and under the Kentucky Statutes.

By Messrs. Losey, Thompson and Mitchell.

H. B. No. 127. AN ACT relating to the refund, in certain instances, of a part of the gasoline tax, amending Section 138.344 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 138.344 of the Kentucky Revised Statutes is amended to read as follows:

Any person who shall use any gasoline, other than on the public highways, on which the tax as imposed by KRS 138.220 has been paid, shall be reimbursed to the extent of ninety percent of the amount of the tax so paid on such gasoline; provided, however, that no refund shall be authorized unless applications therefor and all necessary information shall be filed with the Department of Revenue within one hundred and twenty days from the date of purchase; and further provided that no refund shall be authorized for purchases of less than fifty gallons at any one time; and further provided that no refund shall be authorized unless the amount due is as much as five dollars.

By Mr. Lawrence.

H. B. No. 128. AN ACT relating to the teaching of a course in citizenship in the common schools.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

A formal course in citizenship in which a full credit may be earned shall be taught in the ninth grade, as a part of the regular curriculum, in all the common schools. This course shall include instruction, having for its goal, the development, in the pupils, of

a more tolerant attitude toward all their fellowmen; the inculcation and fostering in the pupils, of that quality of character and integrity of mind which is consistent with a democratic heritage as expressed in the Federal Constitution and Bill of Rights; and the forceful recognition by the pupils, of those individual responsibilities arising out of citizenship in a political and social organization founded on freedom and justice for all.

By Mr. Bridgers.

H. B. No. 129. AN ACT imposing a penalty for removing or altering serial numbers on farm equipment or machinery, amending Section 433.640 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 433.640 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who cuts off, defaces, or in any other manner removes or alters any serial number placed by the manufacturer, for identification purposes, on the motor or chassis of an automobile or truck, or on the motor or frame of, or attachments to, a farm tractor or other unit of farm equipment or machinery, shall be imprisoned in the penitentiary for not less than one year nor more than five years.

(2) The ownership, possession or control of an automobile or truck, or of a farm tractor or other unit of farm equipment or machinery on which any motor, chassis, frame or other serial number has been altered, defaced or removed, shall be prima facie evidence that the altering, defacing or removing was done by the person owning, possessing or having control of the automobile or truck, or farm tractor or other unit of farm equipment or machinery.

By Messrs. Morgan and Lowman.

H. B. No. 130. AN ACT to prevent unfair competition and unfair trade practices in the sale of cigarettes.

Said bill is as follows, viz:

WHEREAS, Unfair, dishonest, deceptive, destructive and fraudulent business practices existing in transactions involving the sale of, offer to sell, or inducement to sell, cigarettes in the wholesale and retail trades in this State have been and are demoralizing and disorganizing the said trades; and

WHEREAS, The advertising, offering for sale, or sale of cigarettes below cost in the wholesale or retail trade with the intent of injuring competitors or destroying or substantially lessening competition, is an unfair and deceptive business practice; and

WHEREAS, Such practices adversely affect the collection of taxes from the sale of cigarettes and license fees imposed on wholesalers and retailers and others engaged in the sale of cigarettes; and

WHEREAS, It is hereby declared to be the policy of this Commonwealth to promote the public welfare by prohibiting such sales, and it is the purpose of this act to carry out that policy in the public interest; therefore,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. Short title. This act shall be known and may be cited as the "Act to Prevent Unfair Cigarette Sales In Kentucky."

2. Definitions. When used in any part of this act, the following words, terms and phrases and any variations thereof required by the context, shall have the meaning ascribed to them in this section except where the context clearly indicates a different meaning:

a. "Cigarettes" shall mean and include any roll for smoking made wholly or in any part of tobacco irrespective of size or shape and whether or not such tobacco is flavored, adulterated or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other material excepting tobacco.

b. "Person" shall mean and include any individual, firm, association, company, partnership, corporation, joint stock company, club, agency, syndicate, the State and any municipal corporation or other political subdivision of this State, trust, receiver, trustee, fiduciary and conservator.

c. "Wholesaler" shall mean and include any person who acquires cigarettes for purposes of sale to retailers or to other

persons for purposes of resale, and sells at least seventy-five percentum (75%) of all such cigarettes purchased by him to others for resale.

d. "Retailer" shall mean and include any person who is engaged in this State in the business of selling cigarettes at retail, including any person selling cigarettes through vending machines.

e. "Sale" and "sell" shall mean and include any transfer for a consideration, exchange, barter, gift, offer for sale and distribution in any manner or by any means whatsoever.

f. "Sell at wholesale," "sale at wholesale" and "wholesale sales" shall mean and include any sale made in the ordinary course of trade or usual conduct of the wholesaler's business to a retailer for the purpose of resale.

g. "Sell at retail," "sale at retail" and "retail sales" shall mean and include any sale for consumption or use made in the ordinary course of trade or usual conduct of the seller's business.

h. "Basic cost of cigarettes" shall mean whichever of the two following amounts is lower, namely, (1) the invoice cost of cigarettes to the wholesaler or retailer as the case may be, or (2) the lowest replacement cost of cigarettes to the wholesaler or retailer, as the case may be, within thirty days prior to the date of sale, in the quantity last purchased (whether within or before the said thirty-day period), less, in either of said two cases, all trade discounts and customary discounts for cash, plus the full face value of any stamps which may be required by any cigarette tax act of this State or political subdivision thereof, now in effect or hereafter enacted, if not already included by the manufacturer in his list price.

i. (1) "Cost to wholesaler" shall mean the basic cost of the cigarettes involved to the wholesaler plus the cost of doing business by the wholesaler, and must include, without limitation, labor costs (including salaries of executives and officers), rent, depreciation, selling costs, maintenance of equipment, delivery costs, all types of licenses, taxes, insurance and advertising.

(2) In the absence of proof of a lesser or higher cost of doing business by the wholesaler making the sale, the cost of doing business by the wholesaler shall be presumed to be three percentum (3%) of the basic cost of the said cigarettes to the wholesaler plus cartage to the retail outlet, if performed or paid for by the wholesaler, which cartage cost, in the absence of

proof of a lesser or higher cost, shall be presumed to be one-fourth of one percentum (¼ of 1%) of the basic cost of the said cigarettes to the wholesaler.

j. (1) "Cost to the retailer" shall mean the basic cost of the cigarettes involved to the retailer plus the cost of doing business by the retailer, and must include, without limitation, labor (including salaries of executives and officers), rent, depreciation, selling costs, maintenance of equipment, delivery costs, all types of licenses, taxes, insurance and advertising.

(2) In the absence of proof of a lesser or higher cost of doing business by the retailer making the sale, the cost of doing business by the said retailer shall be presumed to be eight per-centum (8%) of the basic cost of cigarettes to the said retail dealer.

(3) In the case of any retailer who in connection with the said retailer's purchase of any cigarettes shall receive not only the discounts ordinarily allowed upon purchases by a retailer, but also in whole or in part, the discount ordinarily allowed upon purchases by a wholesaler, the cost of doing business by the said retailer with respect to the said cigarettes shall be, in the absence of proof of a lesser or higher cost of doing business by the said retailer, the sum of the cost of doing business by the retailer and, to the extent that he shall have received the full discounts ordinarily allowed to a wholesale dealer, the cost of doing business by a wholesaler as hereinabove defined in subdivision i (2).

3. Sales at less than cost; penalty.

a. It shall be unlawful for any wholesaler or retailer, with intent to injure competitors or destroy or substantially lessen competition, to advertise, offer to sell, or sell, at wholesale or retail, cigarettes at less than cost to such wholesaler or retailer, as the case may be, as defined in this act. Any wholesaler or retailer who violates the provisions of this section shall be guilty of a misdemeanor and be punishable by fine of not more than five hundred dollars ($500.00).

b. Evidence of advertisement, offering to sell, or sale of cigarettes by any wholesaler or retailer at less than cost to him as defined by this act shall be prima facie evidence of intent to injure competitors and to destroy or substantially lessen competition.

4. Combination sales. In all advertisements, offers for sale or sales involving two or more items, at least one of which

items is cigarettes, at a combined price, and in all advertisements, offers for sale, or sales, involving the giving of any gift or concession of any kind whatsoever (whether it be coupons or otherwise), the wholesaler's or retailer's combined selling price shall not be below the cost to the wholesaler or the cost to the retailer, respectively, of the total of all articles, products, commodities, gifts and concessions included in such transactions, except that if any such articles, products, commodities, gifts or concessions, shall not be cigarettes, the basic cost thereof shall be determined in like manner as provided in subdivision "h" of Section 2.

5. Sales by a wholesaler to a wholesaler. When any wholesaler sells cigarettes to any other wholesaler, the former shall not be required to include in his selling price to the latter, the cost to the wholesaler, as defined by section 2 of this act, but the latter wholesaler, upon resale to a retailer, shall be subject to the provisions of the said section.

6. Sales exceptions. The provisions of this act shall not apply to a sale at wholesale or a sale at retail made (a) in an isolated transaction and not in the usual course of business; (b) where cigarettes are advertised, offered for sale, or sold in a bona fide clearance sale for the purpose of discontinuing trade in such cigarettes and said advertising, offer to sell, or sale shall state the reason thereof and the quantity of such cigarettes advertised, offered for sale, or to be sold; (c) where cigarettes are advertised, offered for sale, or sold as imperfect or damaged, and said advertising, offer to sell, or sale shall state the reason therefor and the quantity of such cigarettes advertised, offered for sale, or to be sold; (d) where cigarettes are sold upon the final liquidation of a business; or (e) where cigarettes are advertised, offered for sale, or sold by any fiduciary or other officer acting under the order or direction of any court.

7. Transactions permitted to meet lawful competition.

a. Any wholesaler may advertise, offer to sell or sell cigarettes at a price made in good faith to meet the price of a competitor who is rendering the same type of service and is selling the same article at cost to the said competing wholesaler as defined by this act. Any retailer may advertise, offer to sell or sell cigarettes at a price made in good faith to meet the price of a competitor who is selling the same article at cost to the said competing retailer as defined in this act. The price of cigarettes advertised, offered for sale, or sold under the exceptions specified in section 6 shall not be considered the price of a competitor and

shall not be used as a basis for establishing prices below cost, nor shall the price established at a bankrupt sale be considered the price of a competitor within the purview of this section.

b. In the absence of proof of the actual cost to the said competing wholesaler or to the said competing retailer, as the case may be, such cost may be presumed to be the lowest cost to wholesaler or the lowest cost to retailer, as the case may be, within the same trading area as determined by a cost survey made pursuant to section 9-b.

8. Sales contracts void. Any contract, expressed or implied, made by any person in violation of any of the provisions of this act, is illegal and void and no recovery shall be had thereon.

9. Admissible evidence.

a. In determining cost to the wholesaler and cost to the retailer the court shall receive and consider as bearing on the bona fides of such cost, evidence tending to show that any person complained against under any of the provisions of this act purchased the cigarettes involved in the complaint before the court, at a fictitious price, or upon terms, or in such a manner, or under such invoices, as to conceal the true cost, discounts or terms of purchase, and shall also receive and consider as bearing on the bona fides of such cost, evidence of the normal, customary and prevailing terms and discounts in connection with other sales of a similar nature in the trade area or State.

b. Cost Survey. Where a cost survey pursuant to recognized statistical and cost accounting practices has been made for the trading area in which a violation of this act is committed or charged, to determine and establish on the basis of actual existing conditions the lowest cost to wholesalers or the lowest cost to retailers within the said area, the said cost survey shall be deemed competent evidence in any action or proceeding under this act as tending to prove actual cost to the wholesaler or actual cost to the retailer complained against, but any party against whom any such cost survey may be introduced in evidence shall have the right to offer evidence tending to prove any inaccuracy of such cost survey or any state of facts which would impair its probative value.

10. Sales outside ordinary channels of business; effect. In establishing the basic cost of cigarettes to a wholesaler or a retailer, it shall not be permissible to use the invoice cost or the actual cost of any cigarettes purchased at a forced, bankrupt, or

closeout sale, or other sale outside of the ordinary channels of trade.

11. Remedies.

a. The State Department of Revenue, or any person injured by any violation, or who would suffer injury from any threatened violation of this act, may maintain an action in any court of equitable jurisdiction to prevent, restrain, or enjoin such violation or threatened violation. If in such action a violation or threatened violation of this act shall be established the court shall enjoin and restrain, or otherwise prohibit, such violation or threatened violation, and, in addition thereto, the court shall assess in favor of the plaintiff and against the defendant the costs of suit including reasonable attorney's fees. In such action it shall not be necessary that actual damages to the plaintiff be alleged or proved, but where alleged and proved, the plaintiff in said action, in addition to such injunctive relief and costs of suit, including reasonable attorney's fees, shall be entitled to recover from the defendant the actual damages sustained by him.

b. In the event that no injunctive relief is sought or required, any person injured by a violation of this act may maintain an action for damages and costs of suit in any court of general jurisdiction.

12. State Department of Revenue; powers and duties. The State Department of Revenue may adopt rules and regulations for the enforcement of this act and it is empowered to and may from time to time undertake and make or cause to be made one or more cost surveys for the state or such trading area or areas as it shall define and when each such cost survey shall have been made by or approved by the said department it shall be permissible to use such cost survey as provided in sections 7-b and 9-b of this act.

Said department may, upon notice and after hearing, suspend or revoke any license issued under the provisions of the Cigarette Tax Law and the rules and regulations of said department promulgated thereunder, for failure of the licensee to comply with any provision of this Act To Prevent Unfair Cigarette Sales In Kentucky or any rule or regulation adopted thereunder.

All of the powers vested in said department by the provisions of the Cigarette Tax Law shall be available to it in the enforcement of this Act To Prevent Unfair Cigarette Sales In Kentucky.

Any person aggrieved by any decision, order or finding of said department, suspending or revoking any such license, may appeal therefrom to the Kentucky Tax Commission by filing a petition of appeal with said commission in the manner and form and within the time and subject to such terms and conditions as said commission shall by rules prescribe.

The judgment or order of said commission may be reviewed by a court of competent jurisdiction in the Commonwealth.

13. Partial unconstitutionality. The provisions of this act shall be deemed to be severable and if for any reason any provision shall be determined to be unconstitutional or invalid, such determination shall not be held to affect any other provision hereof. And no such determination shall be deemed to invalidate or render ineffectual any of the provisions of the Cigarette Tax Law.

By Mr. Lowman.

H. B. No. 131. AN ACT relating to bonds of state officers and employees.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 62.190 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any department head, officer, board or commission required by KRS 62.170 to take a bond from particular officers, employees, deputies, or appointees may secure a position bond, blanket bond, or bond of a similar type, providing coverage under one contract, for one premium, for all officers, employees or positions, or classes or groups of officers, employees or positions, in the department, office or agency headed by such department head, officer, board or commission, excepting only such officers, employees or positions, or classes thereof, for which such blanket coverage cannot be secured. In the event such a bond is secured, the individual bonds required by KRS 62.170 shall not be required as to any officer, employee, deputy, appointee or position within the coverage of the blanket or position bond.

(2) Where the Commissioner of Finance deems it to be for the best interest of the state, he may require a department head, officer, board or commission to secure a bond of the nature contemplated by subsection (1) of this section.

(3) The bonds provided for by this section shall be covenants to the Commonwealth of Kentucky that the officers, employees or holders of poistions covered by the bond will faithfully account for and pay over all money and property that may come into their possession by virtue of their office, employment or position. If field agents and accountants of the Department of Revenue are included in a blanket or position bond, the bond should be conditioned upon the faithful peprformance of all duties imposed upon them by the Commissioner of Revenue, or by law, and the faithful accounting for and paying over all money and property that may come into their possession by virtue of their office, employment or position.

(4) The penal amounts of the bonds taken under this section shall be fixed by the Commissioner of Finance in accordance with the duties and responsibilities indicated by the peprsonnel classification schedules of th Division of Personnel Efficiency, and in accordance with the amounts of money and property handled by the respective officers and empployees.

Section 2. Section 62.200 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each bond mentioned in KRS 62.160 to 62.190 shall be executed by a corporate surety authorized to do a surety business in Kentucky. No bond shall be accepted until it has been approved by the Attorney-General as to form and legality, except the bond of the Attorney-General which shall be accepted when approved in such respects by the Governor.

(2) All bonds given pursuant to KRS 62.160 to 62.190, except the bond of the Secretary of State, shall be filed in the office of the Secretary of State. The bond of the Secretary of State shall be filed in the office of the Governor.

By Messrs. Rayburn and Buckman.

H. B. No. 132. AN ACT imposing a tax on the production

of fluor spar, and appropriating the revenue therefrom to the Common School Per Capita fund.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No person shall operate a fluor spar mine in this state for the production of fluor spar for sale or exchange on a commercial basis unless he has obtained from the Department of Revenue a permit to engage in the business of fluor spar. At the time of the issuance of the permit he shall pay to the state, through the Department of Revenue, a tax of ten cents for each ton of fluor spar for which the permit is issued. The permit shall authorize the production of as many tons of fluor spar as is named in the permit, and upon such number of tons being produced such person shall not further operate the mine until he has obtained further permits for such additional tons as he desires to produce, and has paid the tax of ten cents for each ton of fluor spar for which such further permits are issued.

Sec. 2. Fluor spar shall be deemed to have been produced, for the purpose of this Act, when it has been weighed at the mine scales or if not so weighed when it has been placed in freight cars, trucks or other vehicles for shipment.

Sec. 3. The Department of Revenue shall have authority to promulgate such regulations as it may deem necessary for the enforcement of this Act and shall have the power, through its agents and representatives, to inspect the books, records and premises of all persons operating fluor spar mines in this state.

Sec. 4. The revenue derived from the tax imposed by this Act hereby is appropriated to the Common School Per Capita fund, for the payment and increase of the monthly salaries of teachers and for no other purpose; this appropriation to be in addition to any other appropriation made by any other Act to this Common School Per Capita fund.

Sec. 5. Any person who violates any of the provisions of Section 1 of this Act shall be fined not less than five hundred dollars nor more than one thousand dollars. Any person who

produces fluor spar without first obtaining the permit required by Section 1 of this Act and paying the tax imposed by that section shall be civilly liable for the taxes due and for a penalty of twenty percent on the amount of taxes due.

Ordered that said bills be printed and referred.

Mr. Waterfield moved that the rules be suspended and the privilege of the floor extended to Mr. G. B. Johnson, Jr., of Ashland, Kentucky.

Said motion was unanimously agreed to.

The Committee to which the same had been referred reported bills of the following titles, viz:

By Mr. Baer of the Committee on Codes of Practice.

H. B. No. 43. AN ACT to repeal, amend and reenact Section 738 of the Civil Code of Practice.

By Mr. Hilton of the Committee on Suffrage & Elections.

H. B. No. 44. AN ACT relating to elections.

By Mr. Hanratty of the Committee on Kentucky Statutes No. 1.

H. B. No. 100. AN ACT relating to coin vending machines, repealing Kentucky Revised Statutes Sections 137.260, 137.270, 137.280, 137.290, 137.300, 137.310, 137.320, 137.330, and subsection (6) of 137.990, and declaring an emergency.

H. B. No. 99. AN ACT relating to revenue and txation.

With the expression of opinion that same should pass.

Whereupon, said bills were each and severally read at length the first time and

Ordered placed in the Calendar.

CALENDAR

The House took up for consideration from the Calendar a bill of the following title, viz:

H. B. No. 92. AN ACT relating to the Adjutant General.

Ordered that said bill be read at length the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said bill be dispensed with, and same be read for the second time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said bill having been dispensed with, said bill was read for the second time by its title only and

Ordered placed in the Orders of the Day.

REPORT OF COMMITTEE ON ENROLLMENT

Mr. Hollan of the Committee on Enrollment reported that said committee had examined and found to be correctly enrolled a resolution of the following title, viz:

H. Res. No. 3. A JOINT RESOLUTION providing for an inquiry into and investigation of the affairs, activities and management of the Kentucky Department of Aeronautics; providing for a committee to make such inquiry and investigation and prescribing its powers and duties; providing for the appropriation and disposition of funds for such committee, and declaring an emergency.

Thereupon, all other business was suspended, said resolution was read at length and compared in open session and found to be correctly enrolled, and thereupon, the Speaker, in open session and in the presence of the House affixed his signature thereto.

Ordered that the Enrolling Clerk deliver said resolution to the Senate.

After a time the Enrolling Clerk aforesaid delivered the original and enrolled copies of said resolution, duly signed by the President of the Senate, into the possession of the Chief Clerk of this House.

Ordered that said resolution be delivered by the Chief Clerk to the Governor.

After a time the Chief Clerk reported that he had discharged that duty.

ORDERS OF THE DAY

The House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 6. A JOINT RESOLUTION providing for an inquiry into and investigation of the affairs, activities and management of the Department of Kentucky State Police; providing for a committee to make such inquiry and investigation and prescribing its powers and duties; providing for the appropriation and disposition of funds for such committee, and declaring an emergency.

Said resolution is as follows, viz:

WHEREAS, the Department of Kentucky State Police has been under attack by the press of Kentucky, due to statements made by a member of the Kentucky State Legislature; and

WHEREAS, the statements contained in the newspapers, alleged to have been made by a member of the Kentucky State Legislature, charge the Department of Kentucky State Police and its officers with operating with "Gestapo" like tactics; and

WHEREAS, the reputation, integrity and future of the Department has been questioned and is subject to query; and

WHEREAS, the Commissioner of the Department of Kentucky State Police, Guthrie F. Crowe, realizing that the integrity, actions, and value of the Department of Kentucky State Police have been put in issue and desiring that the Department

be thoroughly investigated to determine whether or not it is properly conducted and its politics and aims approved by the Kentucky State Legislature and people of Kentucky; and

WHEREAS, the future of the Kentucky State Police in the State of Kentucky is dependent on a proper organization of unimpeachable nature, which should be conducted in a democratic, conscientious manner:

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Speaker of the House of Representatives shall, upon the passage and approval of this Resolution, forthwith appoint a committee of five members of the House, one of whom shall be designated as chairman by the speaker, which committee shall constitute a committee of the General Assembly and, in addition to the powers hereinafter specifically enumerated, shall possess all of the powers granted by Section 39 of the Constitution and by Sections 6.072 and 6.080 of the Kentucky Revised Statutes.

Sec. 2. The committee is hereby authorized, empowered and directed to fully and thoroughly inquire into and investigate the affairs, activities and management of the Department of Kentucky State Police, including the conduct and acts of all officers and employes of the Department, and the conduct and acts of any and all persons having or who have had transactions, dealings or contracts, directly or indirectly, with the Department or any of its officers or employes.

Sec. 3. The committee is authorized and empowered to employ accountants, attorneys, stenographic and clerical assistants, and such other skilled assistants as it may deem necessary and expedient for the performance of its duties, and to purchase or otherwise acquire necessary equipment and supplies.

Sec. 4. The committee shall have full and plenary powers to subpoena, demand the presence of, and examine under oath administered by the chairman of the committee, any and all officers and employes of the Department of Kentucky State Police,

any and all persons having or who have had transactions, dealings or contracts, directly or indirectly, with the Department or any of its officers or employes, and any other person deemed to possess any knowledge or information pertinent to the inquiry and investigation being conducted. The committee shall have the further power to require any and all persons subpoenaed by it to appear at the time and place mentioned in the subpoena, and the power to require by subpoena the production of any books, papers, documents, contracts, records or other data or written matter deemed pertinent to the inquiry and investigation. The committee shall have the further power to receive evidence by deposition and to provide for the taking of depositions in this state or elsewhere, and for the purpose of taking depositions may delegate any member or employe of the committee to conduct the taking of the deposition.

Sec. 5. The committee shall have authority to reimburse its members and employes for actual and necessary traveling expenses, telephone and telegraph expenses, and similar expenses incurred in the performance of the duties of the committee.

Sec. 6. The committee is authorized and empowered to conduct hearings at any place within this state or elsewhere, and to adopt rules governing its meetings, hearings and procedure.

Sec. 7. The enumeration of powers hereinabove set forth shall not be construed as a limitation upon any inherent powers which the committee may possess as a legislative committee under the Constitution, statutes or common law.

Sec. 8. The Sergeant-at-Arms of the House of Representatives and his assistants shall be at the disposal of the committee to serve subpoenas issued by the committee, and it shall be the duty of the sheriff of any county to serve subpoenas at the request of the committee.

Sec. 9. The committee shall proceed as rapidly as practicable with the inquiry and investigation, and report its findings to the General Assembly before adjournment of the present session.

Sec. 10. There hereby is appropriated to the committee provided for by this Resolution, out of the General Expenditure

Fund in the State Treasury for the current fiscal year, the sum of five thousand dollars, for the purposes of this Resolution. The chairman of the committee may at any time requisition any part or all of the sum so appropriated, and the Department of Finance, upon receiving such requisition, shall issue its warrant upon the State Treasury for the amount requisitioned. Upon receipt of such warrant, the State Treasurer shall issue his check payable to the chairman of the committee, and upon receipt of the check the chairman shall cause the amount thereof to be deposited in a bank of his selection within this state. Disbursements from the funds so placed upon deposit may be made upon checks signed by the chairman of the committee, for any purpose authorized by this Resolution. At the same time the report of findings of the committee is made pursuant to Section 9 of this Resolution, the chairman of the committee shall present an itemized statement of all disbursements of the committee from the deposited funds, and shall issue to the State Treasurer, for deposit and credit to the General Expenditure Fund, his check upon the deposited funds for any unexpended balance thereof.

Sec. 11. WHEREAS, it is essential that the inquiry and investigation provided for in this Resolution be made, forthwith in order that the present General Assembly may take such legislative action as may be necessary or desirable for the benefit of the Commonwealth, an emergency is declared to exist and this Resolution shall take effect upon its passage and approval by the Governor.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with,

said resolution was read for the third time by its title only and rejected for lack of a Constitutional majority.

The yeas and nays taken thereon were as follows, viz:

Those who voted in the affirmative were—

Bill Adams	Paul E. Hayes	John Martin
Sidney Baer	William K. Henry	Jack McPherron
C. E. Baumgardner	Ray Holbrook	C. S. Nabb
R. O. Blevins	Woodrow W. Hollan	W. R. Reasor
Thomas L. Britton	Richard R. Houpt	Carl J. Ruh
J. D. Buckman, Jr.	Durham W. Howard	Paul E. Shannon
Mrs. Mary E. Burnett	Maurice G. Howard	Gus Sheehan, Jr.
Charles W. Burnley	Robert N. Hubbard	Jesse H. Shelton
Alex Calvert	Silas Jacobs	Forest Smith
Stanley Carter	Paul S. Jonas	John M. Spaulding
Paul Combs	Barkley Jones	W. R. Stringer
Owen Deering	Jesse H. Lawrence	Rev. T. H. Tinsley
Thomas R. Duncan	Mrs. J. T. Linton	Ralph N. Walter
Mitchell S. Fannin	Harry K. Lowman	Fred M. Warns
Henry C. Hale	True Mackey	G. F. Williamson
James P. Hanratty	Damon Majors	Charles W. Wirsch

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Those who voted in the negative were—

Bernam Adams	E. R. Hilton	Dr. Roy Sanders
Edgar Arnett	William Jones	LeRoy Saylor
Walter J. Bailey	James W. Lambert	Roy Searcy
Clarence J. Barnum	Homer E. Losey	James S. Shaw
Leonard T. Bean	A. L. (Chick) Love	Raymond D. Stigall
John D. Beatty	William T. Marshall	Mrs. Thelma Stovall
L. E. Bradley	Alton Mitchell	Egbert V. Taylor
Josh R. Cosby	Emmett G. Moore	M. G. Thompson
B. H. Crider	Walter R. Moorman	Harry Lee Waterfield
Roscoe C. Estepp, Sr.	Dr. C. E. Palmore	Lyle H. Webb
Chester A Hammons	James H. Polsgrove	Morris Weintraub
Harold G. Helm	Amos Runyan	

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Mr. Love moved that the vote by which said resolution was rejected be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Drury moved that the rules be suspended for the purpose of introducing bills.

Said motion was agreed to by a majority of the members elected.

Thereupon, bills of the following titles were introduced, viz:
By Mr. Drury.

H. B. No. 133. AN ACT relating to school districts.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Upon a majority vote of its legal voters any fourth-class city which is now or may become a part of a county school district may withdraw from the county school district of which it is a part and become an independent school district. When an independent school district is created under the provisions of this Act it shall be governed by and operated under the provisions of the school laws applying to all independent school districts.

Sec. 2. The election provided for in this Act shall not be called except upon a petition of thirty percent of the legal voters residing in the fourth-class city to be affected by the proposition. The petition shall be filed with the county board of education, and it shall be the duty of the county board of education to call an election upon the proposition within sixty days after the filing of the petition, provided that such an election shall not be held within thirty days before nor within thirty days after any primary or general election. The election shall be conducted in the same manner as are other school elections and the cost shall be apportioned in the same manner.

Sec. 3. If a majority of the votes cast at the election are in favor of the proposition, the fact shall be certified immediately by the parties conducting the election to the State Board of Education and to the Governor.

Sec. 4. If a favorable vote upon the proposition is cast more than ninety days before the beginning of a school year, the operation of the district shall become effective at the beginning of such school year. Otherwise, the operation of the district shall not become effective until the beginning of the following school year.

Sec. 5. The five members of the board of education of the newly created district shall be appointed by the Governor. The terms of two of the members so appointed shall end at the next school election at which school board members of independent school districts are elected, and the terms of the remaining three members shall expire at the next election of members of independent school districts. When the terms of the members thus appointed expire their successors shall be elected in the same manner as in other independent school districts embracing cities of the fourth class.

Sec. 6. In the event school property is located in the limits of the territory of an independent district created under this Act, it shall be the duty of the board of the newly created district and the county board of education of the district which formerly embraced the new district to allocate the property between the two districts. In making the allocation consideration shall be given to the ratio of the population and wealth of the county school district prior to the creation of the new district. An equitable apportionment shall be made also of any outstanding indebtedness on the same basis. In the event the two school boards cannot agree upon a division of the school property referred to in this section, the question shall be submitted by petition of either or both of the parties to the circuit court for adjudication under the Declaratory Judgment Act. Either party may appeal from the ruling of the circuit court to the Court of Appeals.

By Mr. Tinsley.

H. B. No. 134. AN ACT relating to the duties and functions of the deputy commissioner of welfare.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The deputy commissioner of welfare appointed pursuant to KRS 12.050, may, when a designation in writing to that effect has been filed with the Governor by the Commissioner of Welfare, sign for the Commissioner of Welfare any warrants, parole recommendations, or other designated documents required by law to carry the signature of the Commissioner of Welfare.

By Mr. Baer.

H. B. No. 135. AN ACT relating to report filing date, method of payment and penalties pertaining to taxes on gasoline and other motor fuels.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 138.250 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who produces, refines, manufactures or compounds gasoline in this state shall, by the last day of each month, file a report with the Department of Revenue, on forms prescribed by it, covering the next preceding calendar month, showing the number of gallons of gasoline produced, refined, manufactured or compounded, the number of gallons withdrawn from refinery storage and shipped to points outside of this state, and the number of gallons withdrawn from refinery storage and shipped to points within this state upon which the tax has not been paid. This report shall give in detail, regarding each separate shipment, the date of shipment, the number of gallons in each shipment, the name of owner and license number of truck if shipped by transport truck, the initial and number of tank car if shipped by rail, the name and owner of barge if shipped by water, the name and address of person to whom shipped, the point of shipment, the point of destination and the name of carrier to whom delivered for transportation to destination.

(2) Any person who imports and stores gasoline in any marine or pipe-line terminal storage in this state shall, by the last day of each month, file a report with the department, on

forms prescribed by it, covering the next preceding calendar month, showing the number of gallons of gasoline unexported and stored, the number of gallons withdrawn from storage and received, the number of gallons withdrawn from storage and shipped to points outside of this state, and the number of gallons of gasoline withdrawn from storage and shipped to points within this state upon which the tax has not been paid. This report shall give in detail, regarding each separate shipment, the date of shipment, the number of gallons in each shipment, the name of owner and license number of truck if shipped by transport truck, the initial and number of tank car if shipped by rail, the name and owner of barge if shipped by water, the name and address of person to whom shipped, the point of shipment and point of destination and the name of carrier to whom delivered for transportation to destination.

Section 2. Section 138.280 of the Kentucky Revised Statutes is amended to read as follows:

(1) The reports required by KRS 138.240 shall be accompanied by a certified or cashier's check, payable to the State Treasurer, for the amount of tax due for the preceding calendar month, computed as provided in KRS 138.270; except that the Department may waive this requirement and accept the dealer's check where the dealer is of sound financial condition and has established a good record of compliance with the requirements of KRS 138.210 to 138.340.

(2) By virtue of the allowance provided by KRS 138.270 to dealers for collecting and remitting the tax, every dealer is a trust officer of the state.

Section 3. Section 138.290 of the Kentucky Revised Statutes is amended to read as follows:

(1) If any dealer neglects or refuses to make the return required by KRS 138.240 or to pay the tax at the time provided, a penalty of twenty per cent thereof and interest at six per cent per annum from the date when due shall be paid as a part of the tax.

(2) If any taxpayer subject to the penalty provided in subsection (1) of this section submits in writing to the Department, his reasons for failure to comply with KRS 138.240, and

if the Department finds the reasons evidence of justifiable cause for modifying the penalty provided in subsection (1) of this section it may modify the penalty exacted therein to five per cent of the amount of the tax due and delinquent, provided the five per cent penalty may be reduced to a one per cent penalty if the violation is the first violation by the taxpayer within twelve months.

(3) If the penalties provided by this section are collected by proceedings in court an additional penalty of twenty per cent shall be collected and distributed as is authorized by KRS 134.400 and 135.060.

Section 4. Section 138.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) To determine the amount of tax due under KRS 138.360, each user shall, by the last day of each month, file with the Department of Reevnue, on forms prescribed by the Department, monthly reports sworn to by the user showing the total number of gallons of fuel used within this state during the next preceding calendar month.

(2) The tax at the rate of seven cents per gallon of fuel shall be computed on the number of gallons reported as used within this state, and shall constitute the amount of tax payable for the next preceding calendar month.

(3) Reports required in subsection (1) of this section shall be accompanpied by a certified or cashier's check, payable to the State Treasurer, for the amount of tax due for the preceding calendar month; except that the Department may waive this requirement and accept the user's check where the user is of sound financial condition and has established a good record of compliance with the requirements of KRS 138.359 to 138.440.

Section 5. Section 138.400 of the Kentucky Revised Statutes is amended to read as follows:

(1) If any user neglects or refuses to make the return or pay the tax at the time provided in KRS 138.390, a penalty of twenty per cent of the tax and interest at six percent per annum from the date when due shall be paid as a part of the tax.

(2) If any user subject to the penalty provided in the pre-

ceding paragraph submits in writing to the Department his reasons for failure to comply with KRS 138.390, and if the Department finds the reasons evidence of justifiable cause for modifying the penalty provided in subsection (1) of this section it may modify the penalty exacted therein to five percent of the amount of the tax due and delinquent.

(3) If the penalties provided by this section are collected by proceedings in coutr an additional penalty of twenty percent shall be collected and distributed as is authorized by KRS 134.400 and 135.060.

(4) Whenever any user neglects or refuses to make and file any report for any calendar month as required by KRS 138.390, or files an incorrect or fraudulent report, the Department of Revenue shall determine, after an investigation, the number of gallons of fuel with respect to which the user has incurred liability under KRS 138.360 for any particular month, and assess and collect the amount of taxes and penalties payable by the user.

(5) In any action for the collection of the fuel tax and any penalties or interest imposed in connection therewith, an assessment by the Department of the amount of the tax due and the interest or penalties due to the state shall constitute prima facie evidence of the claim of the state, and the burden of proof shall be on the user to show the assessment was incorrect and contrary to law.

H. B. No. 136. AN ACT relating to Revenue and Taxation; repealing Section 138.356 Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 138.356 Kentucky Revised Statutes is repealed, effective June 30, 1950

Section 2. Any unencumbered balance remaining in the Gasoline Tax Refund Expense Account after June 30, 1950 shall revert to the Road Fund

H. B. No. 137. AN ACT relating to revenue and taxation of amusement admissions; amending Section 138.030 Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 138.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) The proprietor of each place of amusement or entertainment subject to the provisions of KRS 138.010 to 138.080 shall, by the last day of each month, make return to the Department of Revenue on such forms as it may prescribe, setting out the total gross receipts from the place of business, the amount paid as a separate charge for admission, the amount paid for food or drink, the number of admissions of each price class sold, and such additional information as the Department may require. This return shall be accompanied by a certified or cashier's check payable to the State Treasurer for the amount of tax due; except that the Department may waive this requirement and accept the proprietor's check where the proprietor is of sound financial condition and has established a good record of compliance with the requirements of KRS 138.010 to 138.080.

(2) Any proprietor who fails to make any such returns or give any such information within the time prescribed, or who fails to pay the tax within the time and in the manner prescribed, shall pay a penalty of ten percent of the tax due, with interest at one percent per month or part thereof, or two dollars if the penalty and interest is less than two dollars.

By Mr. Buckman.

H. B. No. 138. AN ACT relating to the condemnation of property for road and bridge purposes and related purposes by the Commonwealth for the use and benefit of the Department of Highways, and providing alternative methods therefor, and repealing KRS 177.080, 177.090 and 177.100.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Department of Highways may institute proceedings in the county court of the county where in the property, or any part thereof, is situated, to have condemned any property which is convenient or necessary to the construction and maintenance of roads, including permanent or temporary right of way, garage sites, private ways, and gravel beds, borrow pits, quarries or mines containing material suitable for road building or for the surfacing of roads; provided, however, no gravel bed, quarry, or mine shall be taken by condemnation within one thousand feet of any dwelling or stock barn, but nothing herein shall be construed to prohibit the purchase of any such bed, quarry, or mine by voluntary agreement with the owner thereof.

Section 2. The condemnation proceedings may be tried at a special term of the county court called for that purpose, after due notice has been given the owner of the property. Such proceedings, at the election of the Department, may be instituted and tried in the manner provided in Sections 416.010 to and including 416.080 of the Kentucky Revised Statutes, or, in the alternative, in the manner provided in Sections 416.230 to and including 416.310 of the Kentucky Revised Statutes, or, as another alternative, in the manner provided in Section 416.120 of the Kentucky Revised Statutes.

Section 3. KRS 177.080, 177.090, and 177.100 are hereby repealed.

H. B. No. 139. AN ACT relating to the condemnation of property for road and bridge purposes by the Commonwealth of Kentucky for the use and benefit of the Department of Highways.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 416.115 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Commonwealth of Kentucky, Department of Highways, counties and municipalities are hereby given the right to proceed as authorized in KRS 416.120 and KRS 416.230 to and including 416.310 when condemning land and materials for the construction and improvement of public roads and bridges.

(2) Such procedures shall be additional and alternative methods of condemnation to that now provided in KRS 416.010 to 416.080.

H. B. No. 140. AN ACT relating to the escheat of funds represented by unclaimed pari-mutuel winning tickets.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

A new section of the Kentucky Revised Statutes is created, to be numbered KRS 393.095, and to read as follows:

All funds represented by unclaimed pari-mutuel winning tickets held in this state by any person, association or corporation operating a pari-mutuel or similar system of betting at running or trotting horse race tracks shall be presumed abandoned, within the meaning of KRS Chapter 393, if not claimed by the person entitled thereto within two years from the time the ticket became payable.

By Mr. Reasor.

H. B. No. 141. AN ACT relating to revenue and taxation of Public Utility Gross Receipts; amending Section 136.250 Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 136.250 of the Kentucky Revised Statutes is amended to read as follows:

(1) By the last day of each month each taxpayer shall

mail to or file with the Department of Revenue a verified report of the total gross receipts of the preceding month, with such additional information as the department may require for enforcement of the provisions of KRS 136.240 to 136.260. The taxpayer shall remit with the report the amount of tax due under KRS 136.240. The department, on the basis of information which it is authorized to secure, or on the basis of an audit of the return, may require additional payments if found to be due. Each taxpayer shall keep and preserve such records as the department may require to facilitate enforcement of the provisions of KRS 136.240 to 136.260.

(2) No taxpayer shall fail or refuse to make the returns prescribed by this section or refuse to permit the Department of Revenue or its agents appointed by it in writing to examine his records, papers, files and equipment pertaining to the gross receipts made taxable by KRS 136.240. No person shall make an incomplete, false or fradulent return under this section, or do or attempt to do anything to avoid full disclosure of the amount of business done or to avoid the payment of the tax or penalties due.

(3) Any taxpayer who fails to pay the tax due under KRS 136.240 in the time specified by this section shall pay a penalty equal to twenty per cent of the amount of tax due and delinquent, and in addition thereto interest at six per cent per annum on both the original amount of tax and the penalty.

By Mr. Jacobs.

H. B. No. 142. AN ACT providing for the employment of a county road engineer.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 179.020 of the 1948 Edition of the Kentucky Revised Statutes is hereby repealed, amended, and re-enacted, to read as follows:

(1) The county judge of each county, with the consent

of the fiscal court, may employ a county road engineer. Any person so employed shall be either a civil or highway engineer licensed in accordance with Chapter 322 of the Kentucky Revised Statutes, or a person who has successfully passed an examination for county road engineer under this Section prior to its amendment by the 1950 General Assembly, and who has qualified and served as such; provided however, that after the effective date of the 1950 amendment to this Section, no further examinations for county road engineer shall be given.

(2) If the fiscal court does not provide for a county road engineer, the duties of said county road engineer, except insofar as they may be in conflict with the provisions of Chapter 322 of the Kentucky Revised Statutes, shall be performed by a county road supervisor, who shall be employed by the county judge with the consent of the fiscal court, and who may be removed in the same manner provided for county road engineers. No person shall be employed as county road supervisor unless he shall meet the following requirements:

(a) He shall have at least three years practical road building experience of a nature satisfactory to examining authorities selected by the College of Engineering, University of Kentucky, and

(b) He shall have passed an examination, either oral or written, or both, given by said examining authorities, and shall have received a Certificate of Qualification from said authorities.

(3) The county surveyor may be employed as county road engineer, if qualified under Subsection (1) of this Section, or as county road supervisor if qualified under Subsection (2) hereof, and for his services as engineer or supervisor he shall receive a salary in addition to fees allowed by law for his services as county surveyor.

(4) When no qualified applicant who is acceptable to the fiscal court is available for employment, the county judge, with the consent of the fiscal court, may employ a temporary supervisor not qualified under Subsection (2) of this Section for a period of three months, but in no event shall a temporary supervisor be used for more than three months during any one term of a county judge.

(5) This Section shall not be construed to prohibit the

supervision of the construction and maintenance of roads, without additional compensation, by the county judge, or by committees of the fiscal court, in counties where the position of road engineer or road supervisor has not been established by the fiscal court, or in accordance with the provisions of KRS 179.080 to 179.100, in counties where the roads are worked by hands as provided in KRS 179.120.

(6) Two or more counties, by a contract approved by order of the fiscal court of each of the counties, may authorize the county judges of the contracting counties to employ the same employe as county road engineer or county road supervisor to serve in all counties so contracting, and for the apportionment of the amount of his salary to be paid by each county.

(7) The period of employment for any county road engineer or county road supervisor shall be two or four years, in the discretion of the fiscal court, beginning with the second Tuesday in January of an even-numbered year. Other terms of employment, and the salaries of all persons employed under the provisions of this Section, shall be fixed by the fiscal court.

WHEREAS, the period of weather favorable to road building is about to begin, and it will be beneficial to many counties to obtain the services of county road engineers and county road supervisors, under the terms of this Act, as soon as possible.

NOW, THEREFORE, an emergency is declared to exist and this Act shall take effect from and after its passage and approval by the Governor, or from and after such time as this Act becomes a law without the approval of the Governor.

By Mr. Polsgrove.

H. B. No. 143. AN ACT to amend Section 289.290 of the Kentucky Revised Statutes, relating to the amendment of articles of incorporation and bylaws of building and loan associations.

Said bill is as follows, viz:

WHEREAS, stockholders in building and loan associations organized in the State of Kentucky under Chapter 289 of the

Kentucky Revised Statutes are all of one class, without special or preferred status among themselves, their interest being mutual and identical, and are so numerous the provisions of Section 271.445 relating to the requirements of amending the articles of incorporation of corporations organized under Chapter 271 of the Kentucky Revised Statutes should not apply to building and loan associations organized under Chapter 289 of the Kentucky Revised Statutes;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 289.290 of the Kentucky Revised Statutes is amended to read as follows:

Any association organized and operating under and by virtue of this chapter may amend its articles of incorporation and bylaws by a two-thirds vote of its board of directors adopted at a regular meeting of the board of directors, provided a written notice of such amendment be mailed to each member of the board thirty days prior to the meeting at which the amendment is to be adopted. Before such amendment of the articles of incorporation shall become effective the association shall present to the Commissioner of Banking copies of such amendment in triplicate signed and acknowledged by a majority of its directors and shall obtain the written approval of the amendment by the Commissioner of Banking.

By Mr. Shaw.

H. B. No. 144. AN ACT relating to the distribution of the House and Senate Journals, amending Section 57.310 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Whereas, under the provisions of a Resolution adopted by the 1920 General Assembly, the Louisville Law Library received a copy of the House and Senate Journals of each session of the General Assembly until the 1948 Regular Session, and

Whereas, beginning with the 1948 Regular Session of the General Assembly no copies of the House and Senate Journals were furnished to the Louisville Law Library because of a ruling by the Attorney General that the Resolution adopted in 1920 had a defective title,

NOW THEREFORE

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 57.310 of the Kentucky Revised Statutes is amended to read as follows:

(1) The following officers and libraries are entitled free of charge to copies of the journals of each house of the General Assembly, one copy for the session in which he served; county clerks and circuit clerks, one copy each; the Louisville Law Library, one copy each; the Governor and Secretary of State, two copies each; the State Librarian, five copies for the use of the Senate and ten copies for the use of the House of Representatives; the Law Library of the University of Kentucky, the Law Library of the University of Louisville, the Library of the Kentucky State College for Negroes, the Library of Congress, and the Kentucky Historical Society, two copies each; and each of the state teachers colleges in Kentucky, three copies.

(2) The Louisville Law Library shall be furnished free of charge one copy each of the House and Senate Journals for the 1948 Regular Session and the 1949 Extraordinary Session of the General Assembly.

By Mr. Burnley.

H. B. No. 145. AN ACT relating to the state motor vehicle usage tax.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sections 138.450 to 138.470, inclusive, of the Kentucky Revised Statutes of 1944, are repealed.

By Mr. Hubbard.

H. B. No. 146. AN ACT amending Section 45.230 of the Kentucky Revised Statutes extending the time from three months to one year in which obligations incurred by the Department of Highways may be paid.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 45.230 of the Kentucky Revised Statutes is amended to read as follows:

(1) No state officer or agency shall, after the close of any fiscal year, incur, or vote, order or approve the incurring of, any obligation or expenditure under any appropriation for that fiscal year, and no expenditure shall be made from or charged to any appropriation for any fiscal year that has expired at the time the obligation for the expenditure was incurred. The Department of Finance may, for a period of three months after the close of any fiscal year, except as provided in Sub-Section (2) hereof, draw warrants against the available balances of appropriations made for that fiscal year, for the payment of obligations incurred during that year or in fulfillment of contracts properly made during that year, but for no other purpose. After the expiration of three months from the beginning of each fiscal year, all balances of appropriations for the prior fiscal year shall lapse and no further payments shall be made on any claims, unless otherwise provided by law.

(2) Whenever any contract or other obligation for the expenditure of any appropriation is incurred by the Department of Highways within any fiscal year, the Department of Finance may, for a period of one year after the close of that fiscal year in which the obligation was incurred, draw warrants against the available balances of appropriations made for that fiscal year, for the payment of such obligations incurred during that year or in fulfillment of contracts properly made during that year, but for no other purpose. After the expiration of one year from the beginning of each fiscal year, no further payments shall be made

on any claims against the Department of Highways on account of obligations or expenditures of the prior fiscal year.

By Messrs. Holbrook, Hayes and Hale.

H. B. No. 147. AN ACT amending Section 164.480 of the Kentucky Revised Statutes, relating to war veterans' scholarships, and declaring an emergency to exist.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 164.480 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every person who was engaged in any branch of the military or naval service of the United States, prescribed and classified by the United States War Department as a part of such service, during the wars that were declared on April 6, 1917, and any wars declared thereafter, respectively, and who at the time of his enlistment was a resident of Kentucky, is entitled to a free scholarship in any state higher education institution for white or colored persons that he chooses for a period required for the completion of the course of study selected by him. The scholarship includes free tuition, matriculation and other fees, books and other related supplies, and the advantages and privileges of the institution. Provided, however, that if the Federal Government provides for the complete course of higher education selected by a veteran of any of the wars herein referred to, then this section shall not apply to such a veteran. In the event the Federal Government provides for only a part of the course of higher education selected by the veteran then this section shall apply to allow him to complete his education.

(2) No scholarship granted under this section shall be for a longer period than two calendar years.

Sec. 2. WHEREAS, many student-veterans have been, and are still being forced to discontinue their education because of the exhaustion of the educational benefit under the Federal

Act, an emergency is declared to exist and this Act shall take effect upon its adoption and approval by the Governor.

By Mr. Hubbard.

H. B. No. 148. AN ACT relating to a change in the Department of Highways' fiscal year and appropriations from the State Road Fund.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 176.260 of the Kentucky Revised Statutes is amended to read as follows:

(1) The fiscal year for the Department of Highways which commences on April 1, 1950, shall be extended up to and including June 30, 1951, and thereafter the fiscal year for the Department shall begin July 1, and end June 30.

Sec. 2. Section 176.270 of the Kentucky Revised Statutes is repealed and re-enacted to read as follows:

(1) On or before June 1, of each year beginning with the year 1951, the Department of Revenue shall furnish to the Department of Highways estimates of income for the ensuing fiscal year. Upon the request of the Department of Highways the Department of Revenue shall, from time to time, furnish revised estimates of income.

Sec. 3. There is hereby appropriated to the State Road Fund for the fiscal year which commences April 1, 1950, and ends June 1, 1951, in addition to other monies that may already be or may hereafter be appropriated thereto, all of the revenue realized from fees, taxes, and license fees, levied for state road purposes now authorized by law, and any additional or other revenues, grants, or funds, including any amount which may be received from federal aid or any other source pursuant to the provisions of KRS 177.030, made available for the construction or reconstruction of public roads or for any other of the activities administered by the Department of Highways during the period

from April 1, 1950, to June 30, 1951. There is further appropriated to the State Road Fund for the fiscal year which commences July 1, 1951, and ends June 30, 1952, in addition to other monies which may already be or may hereafter be appropriated thereto, all such funds realized or granted during the period of that fiscal year, together with any balance existing in the State Road Fund as of June 30, 1951.

Sec. 4. There is hereby appropriated to the Department of Highways all monies received and placed to the credit of that fund during the fiscal years ending June 30, 1951, and June 30, 1952, and all other monies standing or accruing to the credit of the State Road Fund, not appropriated in this Act or any other Act to any other agency, for the use by the Department of Highways in the activities, functions and duties performed by it as prescribed by law.

Sec. 5. There is hereby appropriated from the State Road Fund to the Division of Rural Highways for improvement, construction, reconstruction, and maintenance of county roads and bridges, which have not been accepted by the Department of Highways for maintenance, the sum of $1,250,000.00 for the period commencing April 1, 1950, and ending June 30, 1951, in addition to other monies appropriated from the State Road Fund to the said Division.

Sec. 6. The $5,000,000.00 heretofore appropriated by this 1950 General Assembly in House Bill No. 14 to the Division of Rural Highways for the period from April 1, 1950, to March 31, 1951, is hereby expressly re-appropriated to and made available for expenditure by the Division of Rural Highways for the fiscal year which commences April 1, 1950, and ends June 30, 1951; and the $5,000,000.00 appropriated in House Bill No. 14 for the period from April 1, 1951, to March 31, 1952, is hereby expressly re-appropriated to and made available for expenditure by the Division of Rural Highways for the fiscal year which commences July 1, 1951, and ends June 30, 1952.

Sec. 7. There is hereby appropriated from the State Road Fund to the Department of State Police for expenses of operation of the Department as provided by law the sum of $175,000.00 for the period commencing April 1, 1950 and ending

June 30, 1950. This appropriation is in addition to all other amounts appropriated to the Department of State Poliec as now provided by law or as may hereafter be provided by law.

Sec. 8. There is hereby appropriated from the State Road Fund to the Agricultural and Industrial Development Board for use by its Topographic Mapping Survey projects for the fiscal year 1950-51 the sum of $50,000.00. This appropriation is in addition to all amounts appropriated to the Board as now prescribed by law or as may hereafter be prescribed by law.

Sec. 9. WHEREAS, some of the provisions of this Act relate to the period from April 1, 1950 to June 30, 1950 and this Act will not become effective by normal operation of law until the end of that period an emergency is declared to exist and this Act shall take effect upon its passage and approval of the Governor.

Ordered that said bills be printed and referred.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed bills which originated in that body of the following title, viz:

S. B. No. 30. AN ACT relating to nonprofit corporations, associations or societies, amending Section 273.050 of the Kentucky Revised Statutes, and declaring an emergency.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 273.050 of the Kentucky Revised Statutes is amended to read as follows:

Sec. 1. Two-thirds of the directors, managers or trustees of any corporation organized under KRS 273.020, or of any other existing corporation, association or society heretofore incorporated or chartered for charitable, religious or educational purposes, and not operated, managed or used for private profit, may

change its charter or articles of incorporation by filing and recording the amendment as original articles are required to be filed and recorded under KRS 273.020. Any amendments or changes in charters or articles of incorporation heretofore made in this manner shall be deemed valid the same as though made pursuant to the provisions of this section.

Sec. 2. Whereas, there now exists serious doubt and uncertainty concerning the validity of amendments and changes heretofore made in the charters or articles of incorporation of incorporation of numerous corporations, associations and societies, and

Whereas, it is important that such doubt and uncertainty should be dispelled promptly, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

S. B. No. 21. AN ACT relating to advancements to sheriffs for expenses in counties containing a population of 75,000 or over; amending Section 64.140 of the Kentucky Revised Statutes; and declaring an emergency to exist.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 64.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) In counties containing a population of 75,000 or over, the sheriff may be entitled to receive an advancement to defray necessary official expenses and to apply to the payment of the salaries of himself and his deputies and assistants. The Commissioner of Finance shall, on the first day of each calendar month, determine the necessary amount that may be advanced to the sheriff, which amount shall not exceed one-twelfth of the total fees collected by the sheriff for the preceding year and may be for a less amount, and in no event shall it exceed $30,000 per month. When approved by the Commissioner of Finance, a warrant shall be drawn on the State Treasury in favor of the sheriff for such advancement. At the end of each calendar year

the sum of such advancements shall be deducted from the part of the total of fees and commissions paid into the State Treasury by the sheriff, pursuant to Section 106 of the Constitution, that is available for use for the payment of the salaries of the sheriff, his deputies and assistants, and his necessary office expenses.

(2) If the office of sheriff becomes vacant, the sums advanced under this section shall be charged against that part of the fees and the commissions of the office of the sheriff that have been, or shall be, paid into the State Treasury during the calendar year in which the advancements were made, and that is available for payment of the salaries of the sheriff, his deputies and assistants, and necessary expenses of his office.

(3) If the total of fees and commissions paid into the State Treasury by the sheriff for any calendar year is insufficient to match the amount of advancements made to him, he and his sureties shall be liable to the state for any excess of advancements over the total of fees and commissions paid into the State Treasury.

Sec. 2. WHEREAS, by reason of consolidation of the offices of sheriff and jailer in Jefferson County the present advancements for expenses are not sufficient to enable satisfactory and efficient operation of the combined offices, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Ordered that said bills be printed and referred.

The Speaker announced that he had referred bills and resolutions heretofore introduced or reported as follows, viz:

H. B. No. 62—Committee on State Fair

H. B. No. 63—Committee on Appropriations

H. B. No. 64—Committee on Education No. 1

H. B. No. 65—Committee on Kentucky Statutes No. 2

H. B. No. 66—Committee on Education No. 1

H. B. No. 67—Committee on Ways and Means

H. B. No. 68—Committee on Kentucky Statutes No. 1

H. B. No. 69—Committee on Codes and Practice

H. B. No. 70—Committee on Cities of Second Class

H. B. No. 71—Committee on Alcoholic Control No. 1

H. B. No. 73—Committee on Kentucky Statutes No. 1

H. B. No. 74—Committee on Motor Transportation No. 1

H. B. No. 75—Committee on Kentucky Statutes No. 2

H. B. No. 76—Committee on Constitutional Amendments

H. B. No. 77—Committee on Ways and Means

H. B. No. 78—Committee on Kentucky Statutes No. 1

H. B. No. 79—Committee on Kentucky Statutes No. 1

H. B. No. 80—Committee on Kentucky Statutes No. 2

H. B. No. 81—Committee on Cities of Fourth Class

H. B. No. 82—Committee on Compensation for Industrial Injuries

H. B. No. 83—Committee on Appropriations

H. B. No. 84—Committee on Appropriations

H. B. No. 85—Committee on Kentucky Statutes No. 1

H. B. No. 86—Committee on Cities of Second Class

H. B. No. 87—Committee on Ways and Means

H. B. No. 88—Committee on Appropriations

H. B. No. 89—Committee on Revenue and Taxation No. 1

H. B. No. 90—Committee on Cities of Fifth Class

H B. No. 91—Committee on Cities of Sixth Class

H. B. No. 93—Committee on Kentucky Statutes No. 1

H. B. No. 94—Committee on Kentucky Statutes No. 2

H. B. No. 95—Committee on Public Health

H. B. No. 96—Committee on Cities of Second Class

H. B. No. 97—Committee on Revenue and Taxation No. 1

H. B. No. 98—Committee on Kentucky Statutes No. 2

H. Res. No. 9—Committee on Claims

H. Res. No. 10—Committee on Claims

H. Res. No. 11—Committee on Claims

H. Res. No. 12—Committee on Appropriations

H. Res. B—Committee on Kentucky Statutes No. 1

S. B. No. 21—Committee on Cities of the First Class

Mr. Hanratty moved that the House do now adjourn to meet again at 12 o'clock, noon, Wednesday, January 25, 1950.

Said motion was agreed to.

And then the House adjourned.

WEDNESDAY, JANUARY 25, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend H. Glenn Stephens, pastor of the South Frankfort Presbyterian Church, of Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	Thomas L. Britton	Thomas R. Duncan
Bill Adams	Charles J. Bronston	Roscoe C. Estepp, Sr.
Edgar Arnett	J. D. Buckman, Jr.	Mitchell S. Fannin
Sidney Baer	Mrs. Mary Burnett	Henry C. Hale
Clarence J. Barnum	Charles W. Burnley	Chester A. Hammons
C. E. Baumgardner	Alex Calvert	James P. Hanratty
Leonard T. Bean	Stanley Carter	George F. Harris
John D. Beatty	Josh R. Cosby	Paul E. Hayes
Fred Beshear	B. H. Crider	John A. Head
L. E. Bradley	Owen Deering	Harold G. Helm
Edward O. Bridgers	G. I. Drury	William K. Henry

E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
W. M. Horn, Jr.
Richard R. Houpt
Durham W. Howard
Maurice G. Howard
Robert N. Hubbard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
James W. Lambert
Jesse H. Lawrence
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
True Mackey
Damon Majors
John Martin
William T. Marshall
Jack McPherron
Alton Mitchell
Archie R. Moore
Emmett G. Moore
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
James H. Polsgrove
Leonard W. Preston
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
Amos Runyan
Dr. Roy Sanders
LeRoy Saylor
Roy Searcy
Paul E. Shannon
James S. Shaw
Gus Sheehan, Jr.
Forest Smith
Joseph T. Snapp
John M. Spaulding
J. Claude Stacy
Roy Steers
Raymond D. Stigall
Mrs. Thelma Stovall
W. R. Stringer
Egbert V. Taylor
Ralph N. Walter
Fred M. Warns
Harry Lee Waterfield
Lyle H. Webb
Morris Weintraub
G. F. Williamson
Charles W. Wirsch
Adron Doran,
Speaker

Mr. Baer arose to a point of personal privilege and stated that on yesterday he had inadvertently and erroneously reported S. B. No. 21 from the Committee on Cities of the First Class.

Mr. Baer then moved that the Chief Clerk be directed to have expunged from the Journal of the proceedings of yesterday that part showing S. B. No. 21 as having received a first reading.

Without objection, said motion was agreed to and the Chief Clerk was so instructed.

After a time, the Chief Clerk reported that he had discharged that duty.

Mr. Harris moved that the reading of the Journal of the proceedings of Tuesday, January 24, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Baer moved that the House do now recess for five minutes.

Said motion was agreed to.

And then the House recessed.

Five minutes having expired, the Speaker resumed the Chair and called the House to order.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed bills which originated in this House of the following titles, viz:

H. B. No. 15. AN ACT relating to the certification of agricultural seeds and plant parts, and declaring an emergency to exist.

H. B. No. 16. AN ACT relating to agricultural seeds, amending Sections 250.040, 250.050, 250.060 and 250.070, of the Kentucky Revised Statutes.

Ordered that said bills be delivered to the Enrolling Clerk of this House.

Mr. Williamson moved that the rules be suspended and the privilege of the floor extended to Mr. Blaine Short, Mr. James Goode, and Judge Luther Yager of Trimble County, Kentucky.

Said motion was unanimously agreed to.

Mr. Taylor moved that the rules be suspended and the privilege of the floor extended to Mr. Henry Morgan.

Said motion was unanimously agreed to.

Mr. Morgan moved that the rules be suspended and the privilege of the floor extended to the Honorable Clyde Peel.

Said motion was unanimously agreed to.

Bills of the following titles were introduced, viz:

By Mr. Hanratty.

H. B. No. 149. AN ACT providing for the construction and operation of turnpikes to facilitate vehicular traffic in and through Kentucky; vesting certain powers and duties in the Department of Highways and the Commissioner of Highways in respect thereto, including the selection of routes; providing for the financing of the construction and maintenance of such turnpikes, including provisions for the issuance of revenue bonds and the charging of tolls; and providing for the construction and maintenance thereof, and the employment of necessary persons therefor; providing for the acquisition of lands, rights of way, and other property or interests in property, through condemnation, by gift, grant, or contract from other governmental units, or otherwise; providing for the construction of underpasses, overpasses, and access and connecting roads; providing for the construction and lease of concessions or other privileges along such turnpikes; providing for the regulation of traffic thereon; providing that turnpikes shall be limited access facilities, and that KRS 177.220 through 177.310, 177.990, 180.010, 180.050 through 180.230, and 180.320 through 180.990 shall be applicable to turnpikes; and including other provisions related to the subject.

Said bill is as follows, viz:

WHEREAS, the increasing density of through traffic between various points within and through this Commonwealth has placed a great burden upon the primary system of highways within the Commonwealth, which parts of that system cannot conveniently bear, and

WHEREAS, the primary system of highways is required to, and does, accommodate a great amount of local traffic, in addition to long distance and through traffic, so that the latter traffic is oftentimes slowed down and impeded, and

WHEREAS, it is apparent from the experiences of several states in this Union that long distance and through traffic can, in many cases, be greatly expedited and benefited by the construction and maintenance of highways especially designed and

maintained for the benefit of such traffic, and that the benefits derived by the drivers of vehicles engaged in such traffic are such that the drivers will willingly pay an extra premium in the form of tolls, in order to avail themslves of these benefits, NOW THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act, unless the context otherwise requires:

(1) "Department" means the Department of Highways of Kentucky.

(2) "Owner" means and includes all persons having any title or interest in any property rights, easements or franchises authorized to be acquired by this Act.

(3) "Turnpike" means a highway to be constructed and operated under the terms of this Act between points designated by the Commissioner of Highways, and it shall be deemed to include not only the highway and all bridges and tunnels connected therewith, but also all property rights, easements, franchises, and approaches relating thereto and deemed necessary or convenient for the construction or operation thereof.

(4) "Cost of turnpike" embraces the cost of constructing the highway and all connecting tunnels and bridges, and necessary overpasses and underpasses, and connecting access ways; the cost of all lands, property rights, easements and franchises acquired which are deemed necessary for such construction; the cost of machinery and equipment, financing charges, and interests on bonds; the cost of traffic estimates and all engineering and legal expenses, plans, specifications, surveys, and estimates of cost and of revenues; administrative expenses, including the salaries of employes of the Department assigned solely to turnpike duties, while they are so assigned; and such other expenses as may be necessary or incident to the financing and construction of the turnpike.

Sec. 2. The Department of Highways is hereby authorized to construct and operate turnpikes between such points as may be designated by the Commissioner of Highways as hereinafter

provided. Such turnpikes shall be planned, constructed, financed and operated in accordance with the provisions of this Act. In performing its duties under this Act the Department shall have power to make surveys and plans, to acquire, own, use, hire, lease, operate and dispose of property, without reference to the State Property and Buildings Commission, and to make and enter into contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers, and to employ engineering, traffic, architectural and construction experts, and inspectors and attorneys, and such other employes as may be necessary in the judgment of the Commissioner of Highways. Persons already employed by the Department of Highways may be assigned by official order to full-time employment on turnpike work. All costs arising from the performance of these functions, including the salaries and other expenses of Department employes assigned as aforesaid, while they are so assigned, shall be deemed to be part of the cost of the turnpike and payable from the proceeds of the bonds hereinafter provided for; but nothing herein shall be construed to prohibit the use of funds of the Department in studies, surveys, and other preliminary work, without assignment of such costs as a part of the cost of the turnpike, in the discretion of the Commissioner of Highways.

Sec. 3. Turnpikes may be established under the provisions of this Act between such points and along such routes as may be selected by the Commissioner of Highways, and designated by him by official order, but no such turnpike shall be established or constructed unless a survey of the traffic potentialities of the route so designated shall previously have been made by competent traffic experts, and the route approved by them as promising sufficient revenue to retire the bonds proposed to be issued for financing the cost of the turnpike.

Sec. 4. The Department is authorized to acquire by gift, purchase, or condemnation, such lands, property rights, easements, right of ways, franchises, and other interests in property as it deems necessary for the construction and operation of the turnpikes, and to take title thereto in the name of the Commonwealth, for the use and benefit of the Department of Highways, and in so doing it shall have full discretion as to the width of the

right of ways to be acquired. In the event any of the aforesaid right of ways, or interests in property cannot be acquired by gift, or by purchase at a price deemed reasonable by the Department, or if for any reason the Department cannot acquire the same by purchase, the Department may condemn the same in any manner which is now, or which may hereafter be, provided by law for the condemnation of right of ways, by the Department for primary or secondary roads.

Sec. 5. The Department, through its authorized agents and employes, may enter upon any lands, waters or premises in the state for the purpose of making surveys, soundings, drillings and examinations, as it may deem necessary or convenient for the purposes of this Act, and such entry shall not be deemed a trespass.

Sec. 6. The Department, in constructing a turnpike, may use any part or all of the right of way of any existing state highway or county road, but in such case it shall extinguish the easements of access of the adjacent owners by purchase or condemnation, or it shall construct a suitable substitute highway or road, in any case where such use of the right of way of the original highway or road will impair the access of owners of property abutting thereon to convenient and suitable routes of travel to town or market. The cost of constructing such substitute highway or road, including the cost of acquiring right of ways for the same, may be deemed to be a part of the cost of the turnpike, in the discretion of the Commissioner of Highways. Provided further, that in no case shall an owner be deemed to have been deprived of access where he has access to another reasonably convenient road, or where the plans for the turnpike provide for an entrance way adjacent to his property, or sufficiently near said property to provide reasonable access thereto. In the event said entrance way is permanently closed at a later date, or not constructed according to plans, it shall be the duty of the Department to acquire, by purchase or condemnation, any easement of access to a highway which existed before the construction of the turnpike, and which has been extinguished by the construction of the turnpike, and by the failure to build the planned entranceway, or by its closing after it has been built. Nothing herein shall be construed to create any right of access

in an owner near or adjacent to an entranceway to the turnpike, where such right did not already exist to an entrance on a road or highway which has been incorporated into the turnpike.

Sec. 7. All turnpikes established under the provisions of this Act are declared to be limited access facilities, within the meaning and subject to the provisions of KRS 177.220 to KRS 177.310, inclusive, and KRS 177.990. No right of access to a turnpike shall vest in the holder of adjacent or neighboring property by reason of the proposal to construct, or the construction and operation of, a turnpike.

Sec. 8. Counties, cities, and other local governmental units are authorized to lease, lend, sell, or grant to the Department property owned by them, and enter into any contract which is necessary or convenient to the construction or operation of a turnpike.

Sec. 9. The Department is authorized to enter into agreements with other States or their agencies, and with the federal government and its agencies, for the purpose of promoting or regulating the construction and operation of turnpikes.

Sec. 10. The cost of a turnpike shall be paid out of the proceeds of revenue bonds, which the Department is hereby authorized to issue and sell in such amount as is necessary to defray the cost of the turnpike or turnpikes proposed to be constructed out of such proceeds. Said revenue bonds shall be issued in the same manner provided for the issuance of bonds for the construction or acquisition of toll bridges, and all of the provisions of KRS 180.010 and KRS 180.050 to KRS 180.230 inclusive, and KRS 180.320 to KRS 180.990 inclusive, which are now applicable to bridges, shall be equally applicable to turnpikes constructed and operated under this Act, and for this purpose the words "turnpike" or "turnpikes" shall be read in said sections of the statutes in addition to the words "bridge" or "bridges." The money collected under the provisions of this section, and the provisions of the sections mentioned herein as they are made applicable to turnpikes shall be paid into the State Treasury and constitute the Turnpike Fund. No part thereof shall be withdrawn from the Treasury, except for the purposes of refunding to the State Road Fund the costs permitted to be refunded to

said fund or to the Department by the provisions of this Act, and for other purposes specifically set out or reasonably implied in this Act or the sections of Chapter 180 of the Kentucky Revised Statutes referred to herein, provided, however, that nothing herein shall be construed to prohibit the payment of maintenance costs out of toll funds, if such payment was provided for when the bonds were issued.

Sec. 11. Tolls shall be fixed and collected in accordance with the provisions of KRS 180.090.

Sec. 12. The use of a turnpike by any person shall be deemed a privilege, and the Commissioner of Highways may make reasonable regulations governing the terms and conditions upon which a vehicle or its driver may be permitted to use it. Such regulations shall be in addition to or in modification of the traffic laws applicable to primary and secondary roads, which are declared to be applicable to turnpikes, except as modified by regulations promulgated under the authority of this section. Such regulations may include the limitation of permissible vehicles by type, weight, or speed, and the establishment of minimum speed limits; but no maximum speed limit shall be greater than that which is established, or which may be established for primary roads. Parking upon any part of the turnpike right of way is prohibited, except at points designated by the Commissioner of Highways. Copies of regulations promulgated under this section shall be available at all toll houses on a turnpike, and notice of their availability shall be displayed prominently on or near such toll houses. Such regulations shall have the force and effect of law, and any person who violates a provision thereof, or any provision of this section, shall be fined not less than ten or more than one hundred dollars, or imprisoned in the county jail for not more than ten days, or both, and he may thereafter be barred from the use of the turnpike.

Sec. 13. No utility shall have the privilege of establishing its lines or properties within the right of way of a turnpike, except upon the conditions and terms prescribed by the Department, except that laws governing railroad crossings on primary roads shall be equally applicable to railroad crossings on turnpikes.

Sec. 14. The Department of Highways may sell or lease, to the highest and best bidder after due advertisement for bids, concessions, easements or privileges, for a period not longer than twenty years at a time, for the placing and operation upon the right of way of a turnpike, of telephone, telegraph, electric light or power lines, gasoline stations, garages, stores, hotels, restaurants, and advertising signs, or for any other purpose, except for tracks for railroad use, and may fix the terms, conditions, rents or rates of charges for such concessions, easements or privileges. In no event, however, shall gasoline stations be leased so as to create a monopoly in any one individual or company in any portion of a turnpike more than fifteen miles in length. The revenues received therefrom shall be handled and disposed of in the same manner as the revenues from tolls. If it is deemed beneficial and convenient to turnpike users, installations suitable for use as gasoline stations, garages, and restaurants may be constructed as a part of the turnpike, and may be leased in accordance with this section, but in no case may such installations be operated by the Department, except for its own vehicles.

Sec. 15. When all bonds and the interest thereon have been paid, or a sufficient amount for the payment thereof has been set aside in trust for that purpose, any excess sum remaining on hand shall be credited to the State Road Fund, and the turnpike shall become toll-free.

By Messrs. Deering, Carter and Barkley Jones.

H. B. No. 150. AN ACT providing for free hunting and fishing licenses for disabled veterans.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Any person who served in the Armed Forces of the United States during any war declared by an Act of Congress, who was honorably discharged from such service, who is a resident of this state and who is suffering a service-incurred disability of 10

percent or more recognized by the Veterans' Administration, shall be entitled each year, on making satisfactory proof of his qualifications to the county clerk, to be issued a State-wide hunting and fishing license without the payment of any fee.

By Mr. Hammons.

H. B. No. 151. AN ACT relating to fees allowed for the taking of depositions and the performing of other services, amending section 64.290 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 64.290 of the Kentucky Revised Statutes is amended to read as follows:

Examiners or other officers authorized to take depositions, may collect, for the following services, the following fees:

Taking a deposition of a witness, where not more than one deposition is taken for the same party on the same day, and certifying the same ---------- $2.00

Taking a deposition, where more than one is taken for the same party on the same day, and certifying same, each------ 1.00

The fees of examiners for taking and certifying depositions shall not exceed five dollars per day against any one party.

Issuing a subpoena, or any other writ or certificate, or for any other service, the same fee that is allowed to circuit clerks for similar writs, certificates or services.

By Messrs. Hammons, Mitchell and Steers.

H. B. No. 152. AN ACT relating to services for war veterans and their dependents; establishing a Veteran's Affairs Commission and providing for its organization, functions and appropriations; and abolishing the present Disabled Ex-Service Men's Board.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. There is created a commission to be known as the Kentucky Veterans' Affairs Commission, which shall constitute an independent agency of the state government within the meaning of Chapter 12 of the Kentucky Revised Statutes. The commission shall be composed of the Lieutenant Governor, who shall act as chairman, the Adjutant General, and five members appointed by the Governor. The members shall serve for terms of four years and until their successors are appointed and have qualified, except that the members first appointed shall be so appointed that the term of one member shall be for two years, two members for three years, and two members for four years. Appointments to the commission, including appointments of successors and appointments to fill vacancies, shall be so made that at all times three members of the commission will be persons recommended for appointment by the American Legion, one member will be a person recommended for appointment by the Veterans of Foreign Wars of the United States, one member will be a person recommended for appointment by the Disabled American Veterans. Recommendations for appointment by the organizations above referred to shall be in the form of lists of five names for each position on the Commission for which each organization is entitled to recommend a person for appointment, submitted to the Governor by the Commander or other executive head of the Kentucky department of the organization, and approved by the Executive Committee, Council of Administration, or other governing body of the Kentucky department of the organization. Recommendation lists for initial appointments shall be submitted within thirty days after this Act takes effect, and recommendation lists for successors or for the filling of vacancies shall be submitted within thirty days after the term expires or the vacancy occurs. If no list is submitted within that period by the organization entitled to make the recommendation, the Governor may appoint such person or persons as he shall deem qualified.

Sec. 2. The members of the commission shall receive no compensation for their services, but shall be entitled to reimbursement for their actual and necessary traveling and lodging

expenses incurred in the performance of their duties. The commission shall have the authority to employ the necessary personnel, including a director to carry out the provisions of this Act, within the limits of its appropriations.

Sec. 3. The powers and duties of the Kentucky Veterans' Affairs Commission shall be to:

(a) Assist and represent veterans, their families, and dependents, in the presentation, processing, proof and establishment of such claims, privileges, rights, and benefits as they may be entitled to under Federal, State, or local laws, rules, and regulations.

(b) Furnish assistance to organizations authorized by law to represent veterans, their families, and dependents in the presentation and prosecution of claims before the United States Veterans' Administration, in such presentation, processing, proof and establishment, of any claims, rights, and benefits, which any veteran, or veteran's family or dependent, may have authorized such organization to present, process, prove or establish.

(c) Cooperate with other agencies and organizations in the state to coordinate all services now available, and which hereafter may become available, for the use and benefit of veterans, their families and dependents, to the end that maximum effectiveness of such services may be realized and overlapping and duplication of effort as between agencies may be minimized.

(d) Cooperate with Federal departments and other agencies which by law are responsible for the administration of rights and benefits granted by the Federal Government to veterans, their families, and dependents.

(e) Inform veterans and veterans' dependents, widows and children of all benefits to which they may be entitled under state and federal laws, and assist them in securing those benefits.

(f) Study the problems of veterans with regard to employment and housing, and assist them in securing those benefits.

(g) Establish, equip, and staff, within the limits of its appropriations, such field offices as it shall deem necessary in order to adequately carry out the provisions of this Act.

(h) Perform such other duties as the commission considers

necessary or desirable in the accomplishment of the purposes for which the commission was created.

Sec. 4. "Veterans," as used in this Act, includes any individual who served on active duty during peace or was in the Armed Forces of the United States, and who received a discharge other than dishonorable from such service.

Sec. 5. Any appropriation made by the 1950 General Assembly to the Kentucky Disabled Ex-Service Men's Board for the fiscal year 1950-1951 and 1951-1952, and any unencumbered balance of the 1949-1950 appropriation to that board, shall be transferred to the credit of, and be considered as an appropriation to the Kentucky Veteran's Affairs Commission.

Sec. 6. Section 36.060 of the Kentucky Revised Statutes is repealed.

By Messrs. Weintraub, Wirsch, Paul S. Jones, Polsgrove, Ruh, Shannon, Sheehan, Morgan, Palmore, Fannin, Waterfield, Howard, Losey and Burnley.

H. B. No. 153. AN ACT relating to the Public Service Commission, amending Section 278.130 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 278.130 of the Kentucky Revised Statutes is amended to read as follows:

For the purpose of maintaining the Public Service Commission, including the payment of salaries and all other expenses, and the cost of regulation of the utilities subject to its jurisdiction, the commission shall each year assess the necessary amount upon the utilities in proportion to their gross earnings or receipts derived from intrastate business in Kentucky for the preceding calendar year, and shall notify each utility on or before May 31 of the amount assessed against it. The total amount so assessed shall not in any year exceed $260,000, and

the sum paid by each utility shall not be less than $2 in any one year.

By Messrs. Weintraub, Paul S. Jones, Polsgrove, Ruh, Shannon, Sheehan, Morgan, Palmore, Fannin, Howard, Losey and Burnley.

H. B. No. 154. AN ACT relating to motor carriers, amending section 281.570 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 281.570 of the Kentucky Revised Statutes is amended, by deleting subsection (2), to read as follows:

Except as otherwise provided in KRS 138.470, 186.020 and 186.050, the fees and taxes prescribed by this chapter shall be in addition to the fees and taxes prescribed by any other law of this state.

By Mr. Warns.

H. B. No. 155. AN ACT relating to telephone rates.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No distinction shall be made in counties containing a city of the first class in the rates charged for the same class of telephone service rendered patrons living within and without the city and no rates containing such distinction shall be approved by the Public Service Commission.

Sec. 2. No telephone company shall make any distinction in the fees charged for the installation and maintenance of pay telephones in business houses and public places. The sum required to be guaranteed from the use of a pay telephone, if any, by the person in whose property the telephone is installed shall be the same on all such telephones.

By Mr. Warns.

H. B. No. 156. AN ACT relating to fire insurance rates.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In counties containing a city of the first class, no distinction shall be made in fire insurance rates charged policy holders living within the city and those living in any areas without the city having a public water main with fire hydrants at least every thousand feet and who are served by a county operated fire department or a volunteer fire department.

By Mr. Hayes.

H. B. No. 157. AN ACT transferring the balance of funds of toll-free bridge at Rockport to sinking fund of the Central Toll Bridge, Project No. 17.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The Commissioner of Highways, Commissioner of Finance, and the State Treasurer are hereby authorized and directed to transfer to the Highway Bridge Bond Sinking Fund Account of the Central Toll Bridge the balance in the Highway Bridge Bond, Sinking Fund Account of Project No. 15, Rockport Toll Bridge, which has become toll free and on which the outstanding bonds have been paid or called for payment.

Such balance as hereby authorized and directed to be transferred shall be used for the payment and retirement of the Revenue Bonds of the Commonwealth of Kentucky outstanding against the bridge project to which transferred.

By Mr. Hayes.

H. B. No. 158. AN ACT relating to the disposal of can-

celled checks in the hands of the Director of Records of the Department of Highways.

Said bill is as follows, viz:

WHEREAS, before the Reorganization Act of 1936, the Highway Commission was authorized to, and did, pay its hourly wage employes from a fund under the control of the Commission, by checks drawn by the Commission, and

WHEREAS, said checks have long since been paid and cancelled, and are now occupying a great deal of storage space, to no useful purpose,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Checks drawn before July 1, 1936, by the former Highway Commission, or its agents, for the payment of the wages of employes hired on an hourly basis, which have been paid and cancelled, and which are now in the possession of the Director of Records of the present Department of Highways, may be sold as waste paper, or otherwise destroyed or disposed of, in the discretion of the said Director of Records.

Section 2. The Statutes Revision Commission is authorized to omit this Act from the Kentucky Revised Statutes.

By Mr. Morgan.

H. B. No. 159. AN ACT authorizing cities to lease space on parking meter posts for purposes of advertising, and providing for disposition of the proceeds realized therefrom.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Any city may, by ordinance, enter into a contract whereby the city for adequate consideration, shall allow space

on parking meter posts to be utilized for the purpose of commercial or other advertising; provided, however, that the advertising signs and attachments used pursuant to the contract shall not unreasonably interefer with the use for which the parking meters were primarily intended and shall not unreasonably obstruct the free passage of traffic around the meters.

Sec. 2. All revenue received under the provisions of this Act shall be placed in the General Fund of the city to be used for general expenses.

By Messrs. Burnley, Morgan and Hilton.

H. B. No. 160. AN ACT to amend subsection (2) of KRS 140.030, relating to inheritance taxes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (2) of KRS 140.030 is amended to read as follows:

The proceeds payable under any life insurance policy on the death of the assured (other than a United States Government Life Insurance policy or National Service Life Insurance policy issued by or through the Federal Government), whether payable to a designated beneficiary or to the assured or his estate, shall be taxable as a part of the legacy as the distributable share of the beneficiary, except that the proceeds of an insurance policy payable to a designated beneficiary other than the assured or his estate, not to exceed twenty thousand dollars in the aggregate, shall be tax-free. The tax-free portion shall be divided among the beneficiaries in proportion to the proceeds payable to each of them. The proceeds payable under any United States Government Life Insurance policy or National Service Life Insurance policy issued by or through the Federal Government, whether payable to a designated beneficiary or to the assured or his estate, and any pension or annuity payments made or to be made to the widow of an employe of a railroad or other carrier under the Federal Railroad Retirement Act of 1935 as amended, shall be

tax-free, and shall not be considered in determining the value of any taxable transfer.

By Messrs. Morgan, Burnley and Hilton.

H. B. No. 161. AN ACT relating to the equipment of rail track motor cars used or furnished by common carriers by railroad for transporting employes, providing for the extension of necessary time in which to equip said cars, penalizing those carriers who operate or furnish for operation to their employes for transportation to or from their place or places of labor.

Said bill is as follows, viz:

WHEREAS, it is dangerous to the health and unsafe to life, limb and property of railroad employes to ride in rail track motor cars in inclement or foggy weather in the daytime and during all hours of the night to and from their place or places where they are required to labor on any railroad running through Kentucky or within the Commonwealth of Kentucky when said cars are unequipped with a substantial top to protect its inmates from rain, hail, sleet or snow, and when said cars are unequipped with an efficient head and rear lights, also with windshield and windshield wiper;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. It is and shall be unlawful for any owner or operator of a railroad running through or within the boundaries of the Commonwealth of Kentucky and engaged in the business of a common carrier of both property and persons, or of either property or persons, for compensation, to operate for or furnish to their employes to transport one or more of them to or from the place or places where they are required to labor for said owner or operator when said car is not equipped with a substantial top that will protect the inmates thereof from rain, snow, sleet and hail, and with a transparent windshield sufficient in width and height to protect the inmates of the car from wind or water, which windshield shall be made of material that is properly

designated as unbreakable glass, and also such car shall be equipped with a permanently installed electric head lamp with such candle power as to render visible at a distance of three hundred feet in advance of such car at night, or during inclement or foggy weather in daytime, any obstruction, land mark, warning sign, or grade crossing on such railroad and shall also be equipped with two electric red lights on the rear end thereof with sufficient candle power so as to be visible at a distance of three hundred feet in the rear of such car at night or during inclement or foggy weather in the daytime, and such car shall also be equipped with an electric windshield wiper that will efficiently remove rain, snow and sleet from the windshield on such car while such car is moving, and said windshield wiper shall be so devised that the driver of said car can start or stop said windshield wiper while he is driving the car.

Sec. 2. Any owner or operator of a railroad running through or within the Commonwealth of Kentucky as a common carrier of persons or property or both, for compensation, who either operates for its employes, or who furnishes to its employes for their transportation to or from the place or places where they are required to labor, a rail track motor car that has not been fully equipped as required by Section 1 of this Act, shall be fined not less than one hundred dollars, nor more than five hundred dollars for each offense, and each day or part of a day they operate or furnish each of such rail track motor cars not so equipped as provided in Section 1 of this Act, to their employes for operation to or from the place or places where they are required to work shall constitute a separate offense; provided that any common carrier that has not been able to equip its rail track motor cars as required by the provisions of Section 1 of this Act, on or before the effective date thereof can, by applying to the Kentucky Railroad Commission, which is hereby authorized to, and upon good cause shown, grant by order, additional time to any owner or operator of a common carrier by railroad, in which to equip such cars, not to exceed one year from the effective date of this Act and, when such an order has been granted by said Kentucky Railroad Commission to such carrier, the provisions of this Act penalizing rail carriers who do not so equip their cars shall not be applicable to those carriers securing such an order for such additional time in which to so equip their cars during

the period granted to them only by order of the Kentucky Railroad Commission.

By Messrs. Moorman and Calvert.

H. B. No. 162. AN ACT relating to agricultural seed; making provisions for the introduction, supplying, furnishing and distribution of seed stocks or foundation seeds, and including provisions for appropriation of funds therefor.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Kentucky Agricultural Experiment Station shall carry on and extend the present program for development of improved crop varieties, acting through and in cooperation with Kentucky Seed Stocks, Inc., in the production, supplying, furnishing and distribution of seed stocks or foundation seeds. For this purpose there shall be available to the Kentucky Agricultural Experiment Station such sums as may from time to time be appropriated by the General Assembly for the purpose.

Sec. 2. For the purposes of this Act, there is hereby appropriated to the Kentucky Agricultural Experiment Station, out of the General Expenditure Fund in the State Treasury, the sum of $7,000 per year for each of the fiscal years 1950-1951 and 1951-1952.

Ordered that said bills be printed and referred.

REPORT OF COMMITTEES

The Committees to which the same had previously been referred reported bills of the following titles, viz:

By Mr. Barnum of the Committee on Cities of the First Class.

S. B. No. 21. AN ACT relating to advancements to sheriffs for expenses in counties containing a population of 75,000 or

over; amending Section 64.140 of the Kentucky Revised Statutes; and declaring an emergency to exist.

By Mr. Adams of the Committee on Cities of Third Class.

H. B. No. 23. AN ACT requiring that in Cities of the Third Class, any street or road located outside the corporate limits which is a street or road of a subdivision established by a recorded plat that dedicates the street or road to public use, shall be maintained by the Fiscal Court of the county in the same manner as specified other roads, and that such roads must have the approval of the county engineer or Fiscal Court.

H. B. No. 17. AN ACT setting out that members of the police department, other than the chief of police, shall not be required to work more than eight hours per day for six days each week, except in event of emergency.

By Mr. Hanratty of the Committee on Kentucky Statutes No. 1.

H. B. No. 53. AN ACT relating to the recordation of marriages, amending subsection (12) of Section 402.990 of the Kentucky Revised Statutes providing a penalty.

By Mr. Burnley of the Committee on Ways and Means.

H. B. No. 55. AN ACT relating to the fee of court commissioners and receivers, amending Section 64.260 of the Kentucky Revised Statutes.

By Mr. Spalding of the Committee on Cities of Second Class.

H. B. No. 27. AN ACT relating to the compensation of grand and petit jurors in circuit courts, amending subsection (1) of Section 29.390 of the Kentucky Revised Statutes.

H. B. No. 22. AN ACT relating to the meetings of boards of commissioners in cities operated under the City Manager

form of government, amending Section 89.550 of the Kentucky Revised Statutes.

H. B. No. 58. AN ACT relating to the number of hours firemen of cities of the second class shall be required to be on duty and providing a vacation for such firemen, amending Section 95.500 of the Kentucky Revised Statutes.

With the expression of opinion that same should pass.

Whereupon, said bills were each and severally read at length for the first time and

Ordered placed in the Calendar.

Mr. Hanratty of the Committee on Kentucky Statutes No. 1, to which the same had previously been referred, reported bills of the following titles, viz:

H. B. No. 29. AN ACT relating to the paying, retaining or drawing of compensation by public officers from funds within their possession or control.

H. B. No. 50. AN ACT relating to dogs.

H. B. No. 21. AN ACT relating to the obtaining of credit for merchants.

H. B. No. 13. AN ACT relating to the exemption of a certain portion of real estate taxes provided that such real estate is occupied by the owner thereof as a home.

H. B. No. 26. AN ACT relating to marriage and divorce; placing restrictions on the remarriage of divorced male persons.

With the expression of opinion that same should not pass.

No motion having been made to advance said bills to a first reading, the report of the Committee to the contrary notwithstanding, and no further action having been taken on said bills,

Said bills were not read at length for the first time,

And so said bills were rejected.

CALENDAR

The House took up for consideration from the Calendar bills of the following title, viz:

H. B. No. 43. AN ACT to repeal, amend and reenact Section 738 of the Civil Code of Practice.

H. B. No. 44. AN ACT relating to elections.

H. B. No. 100. AN ACT relating to coin vending machines.

H. B. No 99. AN ACT relating to revenue and taxation.

Ordered that said bills be read at length the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said bills be dispensed with, and same be read for the second time by their titles only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said bills having been dispensed with, said bills were read for the second time by their titles only and

Ordered placed in the Orders of the Day.

REPORT OF COMMITTEE ON ENROLLMENT

Mr. Hollan of the Committee on Enrollment reported that said committee had examined and found to be correctly enrolled bills of the following titles, viz:

H. B. No. 15. AN ACT relating to the certification of agricultural seeds and plant parts, and declaring an emergency to exist.

H. B. No. 16. AN ACT relating to agricultural seeds, amending Section 250,040, 250.050, 250.060 and 250.070, of the Kentucky Revised Statutes.

Thereupon, all other business was suspended, said bills were each and severally read at length and compared in open session and found to be correctly enrolled; and, thereupon, the Speaker, in open session and in the presence of the House, affixed his signature thereto.

Ordered that the Enrolling Clerk of the House deliver the original and enrolled copies of said bills to the Senate.

After a time the Enrolling Clerk delivered said original and enrolled copies of said bills duly signed by the President of the Senate.

Ordered that the Chief Clerk of the House deliver said bills to the Governor.

After a time the Chief Clerk aforesaid reported that he had discharged that duty.

The House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 92. AN ACT relating to the Adjutant General.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 36.030 Kentucky Revised Statutes 1948 edition is amended to read as follows:

36.030 Adjutant General; rank; compatibility of office.

(1) The Governor shall order the Adjutant General placed on active duty, and if the Adjutant General does not already hold the commission of Major General of the Kentucky National Guard he shall be given temporary rank as Major General of the Kentucky National Guard and shall be so commissioned by

the Governor. If the commission is only temporary it shall automatically be vacated when the Adjutant General is relieved from duty or at the expiration of the term of the Governor appointing him.

(2) The office of Adjutant General shall not be incompatible with or serve to vacate the commission in the Kentucky National Guard held by the officer appointed Adjutant General at the time of his appointment, nor shall it be incompatible with any office to which he might be promoted, nor interfere with or prevent his attending to the duties of the office held at the time or to which he may be thereafter promoted.

Mr. Preston moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Preston moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provisions of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Sidney Baer	Leonard T. Bean
*Bill Adams	Clarence J. Barnum	*John D. Beatty
Edgar Arnett	C. E. Baumgardner	Fred Beshear

L. E. Bradley	W. M. Horn, Jr.	Leonard W. Preston
Edward O. Bridgers	Richard R. Houpt	*Hobart Rayburn
*Thomas L. Britton	Durham W. Howard	W. R. Reasor
Charles J. Bronston	Maurice G. Howard	Carl J. Ruh
Mrs. Mary Burnett	Robert N. Hubbard	Amos Runyan
Charles W. Burnley	Silas Jacobs	Dr. Roy Sanders
Alex Calvert	Paul S. Jonas	*LeRoy Saylor
Stanley Carter	Barkley Jones	Roy Searcy
Paul Combs	William Jones	Paul E. Shannon
Josh R. Cosby	*James W. Lambert	*James S. Shaw
*B. H. Crider	*Jesse H. Lawrence	Gus Sheehan, Jr.
Owen Deering	Mrs. J. T. Linton	Forest Smith
G. I. Drury	*Homer E. Losey	John M. Spaulding
Thomas R. Duncan	A. L. (Chick) Love	Roy Steers
*R. C. Estepp, Sr.	True Mackey	Raymond D. Stigall
Mitchell S. Fannin	Damon Majors	Mrs. Thelma Stovall
Henry C. Hale	*John Martin	W. R. Stringer
*C. A. Hammons	*Wm. T. Marshall	*Egbert V. Taylor
James P. Hanratty	Jack McPherron	M. G. Thompson
George F. Harris	*Alton Mitchell	Ralph N. Walter
Paul E. Hayes	Archie R. Moore	*Fred M. Warns
John A. Head	*Emmett G. Moore	Harry Lee Waterfield
*Harold G. Helm	Walter R. Moorman	*Lyle H. Webb
William K. Henry	C. S. Nabb	Geo. F. Williamson
E. R. Hilton	Dr. C. E. Palmore	*Charles W. Wirsch
Ray Holbrook	James H. Polsgrove	*Republicans
Woodrow W. Hollan		—87

Resolved that the title thereof be as aforesaid.

Mr. Preston moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The Speaker announced that acting under the authority conferred upon him by House Resolution No. 3 he had appointed the following committee, viz:

Robert N. Hubbard

J. D. Buckman, Jr.

Silas Jacobs

James S. Shaw

James W. Lambert

Mr. Hanratty moved that the rules be suspended for the purpose of introducing guests and extending to them the privilege of the floor.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Hanratty introduced the following officers of the National Guard presently located in Kentucky, viz:

Colonel Albert G. Wing of Mississippi

Lieutenant Colonel Alden P. Shipley of Kentucky

Lieutenant Colonel Nicholas P. Prime of Pennsylvania

Major Murray C. Aspinall of Connecticut

Major Hugh P. Stubbs, Jr., of Oklahoma

Major Clifford C. Hines of Oklahoma

Major Robert Rush of Wisconsin

Captain Gerald R. Wilson of Illinois

Captain Durward C. Fish of Mass.

Captain Raymond L. V. Pearson of New Jersey

Captain Larry A. Blakely of Missouri

Captain Harold H. Thomas of Oklahoma

Captain Ernest M. Fry of Louisiana

Captain Keith V. Wickliffe of Texas

Chief Warrant Off. Allie E. Davis of Kentucky

M/Sgt. William S. Richards of Kentucky

M/Sgt. Cecil W. Robinson of Kentucky

M/Sgt. Henry B. Sturbaut of New Jersey

M/Sgt. Robert B. Brown of Oklahoma

M/Sgt. Burr Daniel of Kentucky

M/Sgt. Roy Jewell of Pennsylvania

M/Sgt. Ova Kinser of Kentucky

M/Sgt. Ernest E. Russell of Kentucky

M/Sgt. Jewell W. Massey of Georgia

M/Sgt. Edward E. Noble of Minnesota

M/Sgt. John W. Cabell of Kentucky

M/Sgt. Jesse L. Owens of Kentucky

M/Sgt. Kenneth H. Addington of Kentucky

M/Sgt. Burley C. Clark of Virginia

M/Sgt. Bernard A. Henning of Kentucky

M/Sgt. Walter J. Parton of Tennessee

Sgt. 1 Class Walter L. Scott of Kentucky

Sgt. 1 class Walter L. Scott of Kentucky

Sgt. Iseral Howard, Jr., of Kentucky

Sgt. William F. Smith of West Virginia

The Speaker announced that he had referred bills and resolutions heretofore introduced or reported as follows, viz:

H. B. No. 101—Committee on Appropriations

H. B. No. 102—Committee on Education No. 1

H. B. No. 103—Committee on Revenue and Taxation No. 1

H. B. No. 104—Committee on Kentucky Statutes No. 1

H. B. No. 105—Committee on Kentucky Statutes No. 2

H. B. No. 106—Committee on Revenue and Taxation No. 1

H. B. No. 107—Committee on Kentucky Statutes No. 1

H. B. No. 108—Committee on Alcoholic Control No. 1

H. B. No. 109—Committee on Cities of Fifth Class

H. B. No. 110—Committee on Revenue and Taxation No. 1

H. B. No. 111—Committee on Kentucky Statutes No. 1

H. B. No. 112—Committee on Kentucky Statutes No. 1

H. B. No. 113—Committee on Revenue and Taxation No. 1

H. B. No. 114—Committee on Kentucky Statutes No. 1

H. B. No. 115—Committee on Agriculture No 1

H. B. No. 116—Committee on Insurance: Fire and Marine

H. B. No. 117—Committee on Ways and Means

H. B. No. 118—Committee on Cities of Fifth Class

H. B. No. 119—Committee on Kentucky Statutes No. 1

H. B. No. 120—Committee on Codes and Practice

H. B. No. 121—Committee on Cities of Second Class

H. B. No. 122—Committee on Codes and Practice

H. B. No. 123—Committee on Suffrage and Elections

H. B. No. 124—Committee on Ways and Means

H. B. No. 125—Committee on Statutes No. 1

H. B. No. 126—Committee on Suffrage and Elections

H. B. No. 127—Committee on Ways and Means

H. B. No. 128—Committee on Education No. 1

H. B. No. 129—Committee on Agriculture No. 1

H. B. No. 130—Committee on Revenue and Taxation No. 1

H. B. No. 131—Committee on Kentucky Statutes No. 1

H. B. No. 132—Committee on Revenue and Taxation No. 1

H. B. No. 133—Committee on Cities of Fourth Class

H. B. No. 134—Committee on Kentucky Statutes No. 1

H. B. No. 135—Committee on Kentucky Statutes No. 1

H. B. No. 136—Committee on Kentucky Statutes No. 1

H. B. No. 137—Committee on Kentucky Statutes No 1

H. B. No. 138—Committee on Kentucky Statutes No. 1

H. B. No. 139—Committee on Kentucky Statutes No. 1

H. B. No. 140—Committee on Kentucky Statutes No. 1

H. B. No. 141—Committee on Kentucky Statutes No. 1

H. B. No. 142—Committee on Kentucky Statutes No. 1

H. B. No. 143—Committee on Kentucky Statutes No. 2

H. B. No. 144—Committee on Appropriations

H. B. No. 145—Committee on Revenue and Taxation No. 1

H. B. No. 146—Committee on Kentucky Statutes No. 1

H. B. No. 147—Committee on Veterans' Legislation

H. B. No. 148—Committee on Kentucky Statutes No. 1

H. Res. No. 13—Committee on Claims

H. Res. No. 14—Committee on Claims

H. Res. No. 15—Committee on Claims

H. Res. No. 16—Committee on Claims

H. Res. No. 17—Committee on Ways and Means

S. B. No. 7—Committee on Cities of Fifth Class

S. B. No. 14—Committee on Cities of Second Class

S. B. No. 30—Committee on Kentucky Statutes No. 1

Mr. Hanratty moved that the House do now adjourn to meet again at 10 o'clock, a.m., Thursday, January 26, 1950.

Said motion was agreed to.

And then the House adjourned.

THURSDAY, JANUARY 26, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend Herman Marx, pastor of the Baptist Church, of Frankfort, Ky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams
*Bill Adams
Edgar Arnett
Sidney Baer
Clarance J. Barnum
C. E. Baumgardner
Leonard T. Bean
*John D. Beatty
Fred Brasher
L. E. Bradley
Edward O. Bridgers
*Thomas L. Britton
Charles J. Bronston
J. D. Buckman, Jr.
Mrs. M. E. Burnett
Charles W. Burnley
Alex Calvert
Stanley Carter
Paul Combs
Josh R. Cosby
*B. H. Crider
Owen Deering
G. I. Drury
Thomas R. Duncan
*R. C. Estepp, Sr.
Fannin S. Mitchell
Henry C. Hale
*C. A. Hammons
James P. Hanratty
George F. Harris
Paul E. Hayes
John A. Head
*Harold G. Helm
William K. Henry
E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
Richard R. Houpt
Durham W. Howard
Maurice G. Howard
Robert N. Hubbard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
*James W. Lambert
*Jesse H. Lawrence
Mrs. J. T. Linton
*Homer E. Losey
A. L. (Chick) Love
True Mackey
Damon Majors
*John Martin
*Wm. T. Marshall
Jack McPherron
*Alton Mitchell
Archie R. Moore
*Emmett G. Moore
Walter R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
James H. Polsgrove
Leonard W. Preston
*Hobart Rayburn
W. R. Reasor
Carl J. Ruh
Amos Runyan
Dr. Roy Sanders
*LeRoy Saylor
Roy Searcy
Paul E. Shannon
Gus Sheehan, Jr.
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spaulding
J. Claude Stacy
Roy Steers
Raymond D. Stigall
Mrs. Thelma Stovall
W. R. Stringer
*Egbert V. Taylor
M. G. Thompson
Rev. T. Herbert Tinsley
Ralph N. Walter
*Fred M. Warns
Harry Lee Waterfield
*Lyle H. Webb
Morris Weintraub
*Charles W. Wirsch
Adron Doran, Speaker

Mr. Baer moved that leaves of absence be granted to Messrs. Bailey, Blevins, Lowman, McLain, Shaw and Williamson.

Said motion was agreed to.

Mr. Spaulding moved that the rules be suspended and the privilege of the floor extended to Judge Thompson.

Said motion was uanimously agreed to.

Mr. Bridgers moved that the rules be suspended and the privilege of the floor extended to Mr. Earl C. King.

Said motion was unanimously agreed to.

Mr. Warns moved that the rules be suspended and the privilege of the floor extended to Dr. O. H. Wright.

Said motion was unanimously agreed to.

The Speaker recognized in the gallery the presence of Mrs. H. P. Adams, Instructor, and Mr. John Milchovitch and Mr. Emerson Jenkins, Student Instructors and members of the 9th Grade at LaFayette High School of Lexington, Ky.

Mr. Warns moved that the rules be suspended and the privilege of the floor extended to Dr. A. L. Henry of Louisville, Ky.

Said motion was unanimously agreed to.

Mr. Preston moved that the rules be suspended and the Honorable Charlie O'Connell be made an Honorary Page for the day.

Said motion was unanimously agreed to.

Mrs. Burnett arose and spoke to a point of personal privilege.

Mr. Harris moved that the reading of the Journal of the proceedings of Wednesday, January 25, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Preston arose and spoke to a point of personal privilege.

Mr. Preston offered the following resolution, viz:

H. Res. No. 18. A RESOLUTION providing for an investigation and report to the House of Representatives of the circumstances concerning the preparation and reading of the House Journal containing the report of the proceedings of the House on January 10, 1950.

WHEREAS, it appears that the House Journal showing the record of the proceedings for the 10th day of January, 1950, contained matters which had not occurred on said date; and

WHEREAS, it was apparent that when said House Journal was requested to be read on the following day, to-wit: the 11th day of January, 1950, that a certain portion thereof was failed, neglected and omitted to be read; and

WHEREAS, charges and denials have been made in the House of Representatives concerning the motives surrounding said House Journal for said date and the reading thereof on the following day; and

WHEREAS, it is for the best interest of the integrity and future well-being of the General Assembly of the Commonwealth of Kentucky that these charges and counter-charges be fully and completely inquired into, with a view to ascertaining whether or not the recording of matter in the House Journal and the failure to properly read same the next day was "deliberate and willful," and, if deliberate and willful" to then ascertain the person or persons responsible therefor, in order that the persons responsible therefor be brought to the bar of justice and those persons having no part or parcel of same be found and declared innocent of any accusation or implication therein in order that said persons may be fully, completely, and publicly exonerated;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky:

1. That the House of Representatives hereby appoints a committee consisting of the following members of the House of Representatives, to-wit: Morris Weintraub, Roy Steers, Jack McPherron, Homer Losey and Alton Mitchell, who shall look into and inquire fully into all of the facts and circumstances concerning the recording and making up of the House Journal for the proceedings of January 10th, 1950, and the reading thereof on the following day, and of all other facts and circumstances relating thereto, with the aim and purpose of ascertaining, if possible, whether or not the insertion into said House Journal of certain events not occurring on said date and the failure to read said inserted facts the following day was "willful, deliberate and premeditated" and whether or not there existed a "plan, scheme and design" on the part of a person or persons to mislead the members of the House of Representatives so that said House Journal would be approved so as to contain facts not true;

2. Said committee shall secure all of the facts and shall report to the House of Representatives its findings together with its recommendations, all of which shall be in writing, signed by the members of the committee concurring therein;

3. The committee shall have full and plenary powers to subpoena, demand the presence of, and examine under oath administered by any member of the committee, any and all employes of the House of Representatives and any and all other persons deemed to possess any knowledge or information pertinent to the inquiry and investigation being conducted. The committee shall have the further power to require any and all persons subpoenaed by it to appear at the time and place mentioned in the subpoena, and the power to require by subpoena the production of any books, papers, documents, contracts, records or other data or written matter deemed pertinent to the inquiry or investigation. The committee shall have the further power to receive evidence by deposition and to provide for the taking of depositions by any member of the committee.

4. The committee is authorized and empowered to adopt rules governing its meetings, hearings and procedure.

5. The Sergeant-at-Arms of the House of Representatives and his assistants shall be at the disposal of the committee to

serve subpoenas issued by the committee, and it shall be the duty of the sheriff of any county to serve subpoenas at the request of the committee.

6. No person shall be excused from testifying or from producing any book, paper or document at any hearing conducted by the committee, upon the ground that the testimony or the book, paper, or document required of him may tend to incriminate him or subject him to penalty or forfeiture. No person shall be prosecuted or subjected to any penalty or forfeiture for, or on account of, anything concerning which he was compelled to testify under oath or to produce temporary evidence, except that no person so testifying shall be exempt from prosecution or punishment of perjury, committed by him in his testimony.

Mr. Burnley moved that said resolution be referred to a committee.

Said motion was agreed to.

Mr. William L. Jones offered the following resolution, viz:

H. Res. No. 19. A JOINT RESOLUTION providing for an investigation, study and survey, by the Legislative Research Commission, of school text book selections, including methods, practices and procedures followed in this state and in other states; and providing for a report.

WHEREAS, the selection of school text books is a matter of primary concern to the citizens of the Commonwealth, because it enters into the fundamental aspects of our system of education; and

WHEREAS, it is most desirable that there be employed in this state the most advantageous, efficient and dependable system of school text book selection; and

WHEREAS, it appears that a study, investigation and survey of school text book selections may enable improvement of the methods, practices and procedures employed in this state to the ultimate benefit of our educational system;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the Legislative Research Commission be and it hereby is authorized and directed to make and conduct a thorough and complete investigation, study and survey of the methods, practices and procedures employed in school text book selections, both in this state and elsewhere and to submit to the 1952 General Assembly a full and comprehensive report thereof.

That in conducting such an investigation, study and survey the members and authorized employes and representatives of the Legislative Research Commission shall have access to the records, offices and files of the State Text Book Commission and to the State Department of Education, and shall have power to make such audits and make photostatic or other copies of such documents, papers or records deemed necessary or desirable.

That the Legislative Research Commission is requested to award priority in its program of research to the investigation, study and survey directed by this Resolution to be made.

Mr. Preston moved that said resolution be laid on the Clerk's desk.

Said motion was lost for lack of a second.

Mr. William L. Jones moved that the House do now adopt said resolution.

Said motion was agreed to.

And thereupon said resolution was adopted.

Mr. Marshall offered the following resolution, viz:

H. Res. No. 20. A CONCURRENT RESOLUTION concerning medical aid for Kentucky veterans.

WHEREAS, many illustrious sons and daughters of the Commonwealth of Kentucky have ably served their country during times of military conflict, and

WHEREAS, many have as a result of their valiant service incurred disabilities requiring immediate medical attention, and

WHEREAS, many applicants for such medical attention have encountered needless delay which endangers their health and future well being,

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Sec. 1. That we, the members of the General Assembly of the Commonwealth of Kentucky, do respectfully urge and solicit the Veterans Administration to give more prompt attention to the applications of Kentucky veterans for hospitalization and medical or surgical benefits.

Sec. 2. The Clerk of the Senate is hereby directed to forward a copy of this Resolution to the Administrator of Veterans Affairs and to each Senator and Representative of the Commonwealth of Kentucky now serving in the Congress of the United States.

Mr. Marshall moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Said resolution was adopted.

Dr. Sanders moved that the rules be suspended and the privilege of the floor extended to Mr. and Mrs. Frank Scott.

Said motion was unanimously agreed to.

Mr. Smith moved that the rules be suspended and the privilege of the floor extended to Messrs. T. L. Cocanugher and George Gabhart.

Said motion was unanimously agreed to.

Bills of the following titles were introduced, viz:

By Mr. Mackey.

H. B. No. 163. AN ACT imposing a tax on the production of coal, and appropriating the revenue therefrom.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No person shall operate a coal mine in this state for the production of coal for sale or exchange on a commercial basis unless he has obtained from the Department of Revenue a permit to engage in the business of producing coal. At the time of the issuance of the permit he shall pay to the state, through the Department of Revenue, a tax of twelve cents for each ton of coal for which the permit is issued. The permit shall authorize the production of as many tons of coal as is named in the permit, and upon such number of tons being produced such person shall not further operate the mine until he has obtained further permits for such additional tons as he desires to produce, and has paid the tax of twelve cents for each ton of coal for which such further permits are issued.

Sec. 2. Coal shall be deemed to have been produced, for the purpose of this Act, when it has been weighed at the mine scales or if not so weighed when it has been placed in freight cars, trucks or other vehicles for shipment.

Sec. 3. The Department of Revenue shall have authority to promulgate such regulations as it may deem necessary for the enforcement of this Act and shall have the power, through its agents and representatives, to inspect the books, records and premises of all persons operating coal mines in this state.

Sec. 4. Any person who violates any of the provisions of Section 1 of this Act shall be fined not less than five hundred dollars nor more than one thousand dollars. Any person who produces coal without first obtaining the permit required by Section 1 of this Act and paying the tax imposed by that section

shall also be civilly liable for the taxes due and for a penalty of twenty per cent on the amount of taxes due.

Sec. 5. The revenue derived from this Act shall be paid into the State Treasury, and the amount so paid in during each fiscal year is appropriated to the Common School Per Capita Fund for each such year, to the payment and increase of the monthly salaries of teachers, and for no other purpose.

By Mr. Marshall.

H. B. No. 164. AN ACT relating to the certification of school teachers.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Any teacher who holds a certificate of qualification other than an emergency certificate and who has completed twenty or more years teaching service in the common schools shall upon application have such certificate extended for life.

By Mr. Hayes.

H. B. No. 165. AN ACT relating to Civil Practice and Procedure and particularly the Code of Practice in civil cases; providing for a Civil Code Committee and additional powers and duties of the Statute Revision Commission; and making an appropriation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. For the purpose of improving civil practice and procedure in the courts of this Commonwealth, there is hereby created a committee denominated "The Civil Code Committee," composed of the Chief Justice of the Court of Appeals or a member of that Court designated by him, two (2) Circuit Judges, and four (4) members of the Kentucky State Bar

Association; all those members except the representative of the Court of Appeals to be appointed by the Governor to serve for a term of two (2) years.

2. The Committee is authorized and directed to make a comprehensive study of the Kentucky Code of Practice in Civil Cases, and to formulate and execute such plans and policies for the simplification, clarification, and revision of the Code as may appear necessary and proper, including the transposition of general procedural rules from the Kentucky Revised Statutes to the Code and matters of substantive law from the Code to the Kentucky Revised Statutes; provided that the substantive rights of litigants shall not be abridged, enlarged, or modified.

3. The Statute Revision Commission is authorized and directed to secure and provide adequate facilities, services, and editorial assistance to enable the Committee to carry out the objects of this act.

4. The Committee, with the assistance of the Statute Revision Commission, shall prepare for submission to the next regular session of the General Assembly for legislative consideration and action its recommendations for a complete and revised Code of civil practice and procedure.

5. To carry out the purposes of this act, there is appropriated out of the General Expenditure Fund in the State Treasury the sum of fifteen thousand ($15,000) dollars; which sum shall be available during the 1950-51 fiscal year and, without lapse, during the 1951-52 fiscal year, for the payment of actual necessary expenses incurred by The Civil Code Committee and the Statute Revision Commission in the performance of their functions prescribed by this act; same to be paid on vouchers approved by the Reviser of Statutes.

By Mr. Weintraub.

H. B. No. 166. AN ACT relating to the State Police, repealing Chapter 16 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Chapter 16 of the Kentucky Revised Statutes is hereby repealed.

By Mr. Hammons.

H. B. No. 167. AN ACT relating to workmen's compensation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (1) of section 342.005 is amended to read as follows:

(1) This chapter shall apply to all employers having three or more employes regularly engaged in the same occupation or business, and to their employes, except that it shall not apply to domestic employment, agriculture, steam railways, or such common carriers other than steam railways for which a rule of liability is provided by the laws of the United States; provided, however, it shall apply to the operators of threshing machines used in threshing or hulling grain or seeds. It shall affect the liability of the employers subject thereto to their employes for a personal injury sustained by the employe by accident arising out of and in the course of his employment, or for death resulting from such accidental injury; provided, however, that "personal injury by accident" as herein defined shall not include diseases except where the disease is the natural and direct result of a traumatic injury by accident, nor shall it include the results of a preexisting disease, whether previously disabling or not, but shall include injury or death due to inhalation in mines of noxious gases or smoke, commonly known as "bad air," and also shall include injuries or death due to the inhalation of any kind of gas, and also shall include injuries or death due to asthma.

H. B. No. 168. AN ACT relating to deadly weapons, amending Section 435.230 of the Kentucky Revised Statutes.

Said bill is as follows, viz.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 435.230 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person, not expressly authorized by law, who carries concealed a deadly weapon, other than an ordinary pocket knife, on or about his person, or any person who sells a deadly weapon, other than an ordinary pocket knife, to a minor, shall be fined not less than ten dollars nor more than one hundred dollars or imprisoned in the county jail for not less than thirty nor more than sixty days, or both.

(2) Sheriffs, constables, marshals, policemen and other ministerial officers, when necessary for their protection in the discharge of their official duties; United States mail carriers, when actually engaged in their duties; and agents and messengers of express companies, when necessary for their protection in the discharge of their official duties, may carry concealed deadly weapons on or about their persons.

By Mr. Maurice G. Howard.

H. B. No. 169. AN ACT relating to the payment of certain expenses of deputy sheriffs in certain counties.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

(1) The fiscal court of any county containing a city of the first or second class, or of any county containing a city of the third class, or part of a city of the third class, which city of the third class is not the county seat of the county and does not contain offices for the major county officers, may pay the cost of gasoline and oil used by deputy sheriffs in the performance of their official duties.

(2) The deputy sheriffs at the end of each month shall furnish a sworn statement as to the amount expended for gasoline

and oil during the preceding month, and if same is allowed, the costs thereof shall be paid out of the general funds of the county.

By Mr. Hilton.

H. B. No. 170. AN ACT relating to cigarette taxes, amending subsection (1) of Section 138.140 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Subsection (1) of Section 138.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) A tax shall be paid on the sale of cigarettes made of tobacco, or any substitute for tobacco, of one and one-half cents on each ten cents or fractional part thereof of the retail selling price. This tax shall be paid only once, regardless of the number of times the cigarettes may be sold in this state.

Sec. 2. The revenue received from the taxes imposed by KRS 138.140 shall be paid into the State Treasury and credited to the General Fund, for general state purposes.

By Mr. Harris.

H. B. No. 171. AN ACT regulating the relation between owners and operators of motor vehicles and certain passengers therein.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Any person who becomes a passenger in any motor vehicle without paying compensation for his transportation thereby covenants and agrees to and with the owner and operator that he will not sue the owner and operator or either of them, for any injuries or damages sustained in any accident involving the motor

vehicle, unless the passenger when entering the vehicle shall inform the operator thereof that he does not so covenant or agree with the owner and operator.

By Mr. Bailey.

H. B. No. 172. AN ACT changing the classification of the city of Owingsville in Bath County.

Said bill is as follows, viz:

WHEREAS, satisfactory evidence has been presented to the General Assembly that the population of the city of Owingsville, in Bath County, is such as to justify its being assigned to the fourth class of cities,

NOW THEREFORE

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The city of Owingsville, in Bath County, is changed from the fifth to the fourth class of cities.

By Dr. Roy Sanders, Messrs. Hilton and Snapp.

H. B. No. 173. AN ACT relating to revenue and taxation, amending Section 137.280 of the Kentucky Revised Statutes and making an appropriation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 137.280 of the Kentucky Revised Statutes is amended to read as follows:

(1) The department shall issue the licenses provided for in KRS 137.260 to 137.330 to any person making application therefor as set out herein upon payment of the following taxes:

(a) For each coin machine costing five cents to nine cents to operate, fifty dollars per annum.

(b) For each coin machine which is or may be operated for ten cents or more, sixty dollars per annum.

(c) For machine having more than one aperture through which a coin or token may be dropped to operate the machine, fifty cents for each aperture in excess of one, this to be in addition to the taxes provided for in subsections (a) and (b).

(d) For machine vending commodities for the sale of which an occupational license is paid under KRS 137.050 the tax herein prescribed shall be reduced by the amount of such license tax paid to the state.

(2) Payment of taxes under KRS 137.260 to 137.330 shall be made by certified or cashier's check.

Sec. 2. All revenue received during the fiscal years of 1950-1951 and 1951-1952 from the taxes imposed by KRS 137.280 is appropriated to the Common School Per Capita Fund for each of those fiscal years.

By Messrs. Hilton, Losey, Mitchell, Durham W. Howard, Barkley Jones, Smith, Searcy, Saylor, Sanders, Snapp, Hollan, Waterfield, and Runyan.

H. B. No. 174. AN ACT making appropriations for common school purposes, in addition and supplemental to those made by House Bill No. 14 of the present General Assembly, and providing for the allocation thereof.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In addition and supplemental to the appropriations made by House Bill No. 14 of the present General Assembly, there is hereby appropriated, out of the General Expenditure Fund in the State Treasury, to the Common School Fund, the sum of $12,200,000 per year for each of the fiscal years 1950-1951 and 1951-1952, which sum shall be allocated in the following amounts and for the following purposes:

1. Common School Per Capita Fund, for the payment of teachers' salaries only:

1950-1951 ..... $5,805,000
1951-1952 5,805,000

2. Equalization Fund, for equalization of educational services according to law:

1950-1951 ..... $1,910,000
1951-1952 1,910,000

3. For common school transportation, to be expended in accordance with law and regulations of the State Department of Education:

1950-1951 ..... $2,760,000
1951-1952 2,760,000

4. For common school building purposes, to be expended in accordance with law and regulations of the State Department of Education:

1950-1951 ..... $1,380,000
1951-1952 1,380,000

5. For instructional materials for common schools, to be expended in accordance with law and regulations of the State Department of Education:

1950-1951 ..... $345,000
1951-1952 345,000

By Messrs. Ruh, Sheehan, Shannon, Jonas, Wirsch and Weintraub.

H. B. No. 175. AN ACT relating to compensation of reporters for circuit courts of continuous session in counties having a population of less than 150,000, and in circuit courts not of continuous session in counties containing a city of the second class, amending Section 28.450 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 28.450 of the Kentucky Revised Statutes is amended to read as follows:

(1) Reporters for circuit courts of continuous session in

counties having a population of less than 150,000, and in circuit courts not of continuous session in counties containing a city of the second class, shall receive for their services in taking stenographic notes a salary of not less than three thousand dollars nor more than three thousand six hundred dollars per annum, to be fixed by the fiscal court and paid in monthly installments by the county.

(2) For making original transcripts reporters shall receive twenty cents per one hundred words. In civil actions involving less than five hundred dollars they shall receive ten dollars per day for taking stenographic notes of said actions and twenty cents per one hundred words for the original transcript thereof, which shall be paid forthwith by the party in whose behalf the record or transcript is ordered, and same shall be taxed as part of the costs of the action. In criminal cases the fee for making transcripts shall be paid by the county in which the court is held when the transcript is made upon motion of the Commonwealth. In cases where the offense is a misdemeanor the party asking for the reporter's services shall pay for the same at the rate of ten dollars per day. If the transcript is made upon motion of the defendant in a criminal case he shall pay the fee therefor, unless the court directs the reporter to file a transcript upon the motion of a party suing in forma pauperis, in which event the fee shall be paid by the county.

(3) For duplicate copies of transcripts, reporters for circuit courts of continuous session in counties having a population of less than 150,000, and in circuit courts not of continuous session in counties containing a city of the second class, shall be allowed one half the amount they are allowed for the original, to be paid for in the same manner as the original. If, however, a duplicate transcript is ordered by a second party it shall be considered for all purposes the same as an original transcript, and shall be paid for at the original rate.

By Mr. Thompson.

H. B. No. 176. AN ACT relating to amusement admission taxes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. In addition to the tax imposed by KRS 138.020, a tax shall be paid on the sale of admission on Sunday to places of amusement and entertainment of one cent on each ten cents or fraction thereof of the admission charge.

Sec. 2. The revenue received from this tax during the fiscal years 1950-1951 and 1951-1952 is appropriated for those years to the common school per capita fund.

By Mr. Spaulding.

H. B. No. 177. AN ACT relating to cities of the second class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Any member of a board or commission of a city of the second class operating under the commission form of government appointed by the mayor or by the board of commissioners shall be removable by and at the pleasure of a majority of the board of commissioners, any provision of law to the contrary notwithstanding.

By Mr. Hollan.

H. B. No. 178. AN ACT relating to Teachers' Retirement, amending Section 161.620 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 161.620 of the Kentucky Revised Statutes is amended to read as follows:

(1) The retirement allowance of a member retiring for superannuation whose age of retirement is seventy years or over

shall be one percent of his average annual prior service salary for each year of prior service and one and one-half percent of his average annual subsequent service salary for each year of subsequent service salary for each year of subsequent service. The retirement allowance of a member retiring for superannuation whose age at time of retirement is sixty years and less than seventy years shall be reduced to that amount which the value of the retirement allowance computed as provided in this section at age seventy will purchase as of the actual age of retirement of the member, according to the actuarial table in use by the system. The retirement allowance in final amount at age of retirement shall be determined by an actuarial factor equivalent to one at age seventy. Said factors shall be determined by the actuary of the retirement system and approved by the Board of Trustees.

(2) For any member retiring on or after July 1, 1946, no retirement allowance shall be greater than one-half of the member's average annual salary, nor greater than twelve hundred dollars.

(3) Including living retired members and members who retire subsequently, no retirement allowance shall be less than six hundred dollars per year, and any retirement allowance which has been or will be computed to be less than this minimum shall be increased to said minimum.

Sec. 2. This Act shall become effective July 1, 1950.

By Mr. Henry.

H. B. No. 179. AN ACT relating to the licensing of motor vehicles, amending Sections 186.040, 186.050 and 186.170 of the Kentucky Revised Statutes and making an appropriation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 186.040 of the Kentucky Revised Statutes is amended to read as follows:

Upon filing application and paying the fee as provided by law, said owner shall be given a receipt containing the registra-

tion number and the information included in the application and a plate bearing said number for the registration year 1950 and two plates bearing said number for the registration year 1951 and thereafter. For services performed the owner shall pay the County Clerk the sum of fifty cents for each registration in addition to the registration fee.

Sec. 2. Section 186.050 of the Kentucky Revised Statutes is amended to read as follows:

(1) The annual registration fee for motor vehicles primarily designed for carrying passengers and having provisions for not more than nine passengers, including the operator, shall be $4.75.

(2) The annual registration fee for each motorcycle shall be $2.25, and for each sidecar attachment, $1.25.

(3) All motor vehicles except those mentioned in subsections (1) and (2), and those engaged in hauling passengers for hire operating under certificates of convenience and necessity, are classified as trucks or busses, and the annual registration fee, except as provided in subsection (4) through (8), shall be as follows:

Gross Weight	Registration Fee
0- 5000	$ 10.25
5001- 8000	22.25
8001-10000	25.25
10001-12000	29.25
12001-14000	32.25
14001-16000	36.25
16001-18000	40.25
18001-21000	45.25
21001-24000	50.25
24001-27000	59.25
27001-30000	71.25
30001-33000	85.25
33001-36000	101.25
36001-39000	123.25
39001-42000	150.25

The registration fee shall be increased fifty percent on any motor vehicle not equipped wholly with pneumatic tires.

(4) Any farmer owning a truck having a gross weight of

22,000 pounds or less may have it registered as a farmer's truck and obtain a license for $4.75 by filing with the county clerk, in addition to other information required, an affidavit, stating that he is a farmer engaged solely in the production of crops, livestock or dairy products, that he owns a truck of the gross weight of 22,000 pounds or less, that he has caused to be printed upon each side of the bed of the truck the words "Farmer's Truck" in conspicuous letters not less than three inches in height, and that during the next twelve months the truck will be used only in transporting persons, food, provender, feed and machinery used in operating his farm and the products grown on his farm.

(5) Any person owning a truck or bus used solely in transporting school children and school employes may have the truck or bus registered as a school bus and obtain a license for $4.75 by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus is used solely in the transportation of school children and persons employed in the schools of the district, that he has caused to be printed on each side of the bed of the truck or bus and on the rear door or part of the bed the words "School Bus" in letters at least six inches high and of a conspicuous color and that the truck or bus will be used during the next twelve months only for the purpose stated.

(6) Any church or religious organization owning a truck or bus used solely in transporting persons to and from a place of worship or for other religious work may have the truck or bus registered as a church bus and obtain a license for $4.75 by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus will be used only for the transporting of persons to and from a place of worship, or for other religious work, and that there has been printed on the truck or bus in large letters the words "Church Bus," with the name of the church or religious organization owning and using the truck or bus, and that during the next twelve months the truck or bus will be used only for the purpose stated.

(7) Any person owning a truck on which an outfit for drilling water wells has been mounted and bolted to the chassis may register the truck and obtain a license for $4.75 by filing

with the county clerk, in addition to other information required, an affidavit that an outfit for the drilling of water wells has been mounted on and bolted to the chassis of the truck, and that during the next twelve months the truck will be used only for the transportation of the well drilling outfit.

(8) Any person owning a motor vehicle on which a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted may register the vehicle and obtain a license for $9.75 by filing with the county clerk, in addition to other information required, an affidavit that a wrecking crane and other equipment suitable for an automobile service has been permanently mounted on such vehicle and that during the next twelve months the vehicle will be used only in automobile wrecker service.

Sec. 3. Section 186.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) The owner shall have the receipt issued by the department through the clerk constantly in his possession, and he shall display the plate issued to him for the registration year 1950 conspicuously on the rear of said motor vehicle and the plates issued to him for the registration year 1951 and thereafter conspicuously upon the front and rear of said motor vehicle. Plates shall be kept legible at all times and the rear plate shall be kept illuminated when the vehicle is being operated during the hours designated in KRS 189.030.

(2) The registration plates for any year shall be displayed until December 31 of that year, it being the legislative intent that the registration year shall be from January 1 to December 31, but may be displayed on any motor vehicle, by the person owning the same on December 31, until midnight the first day of March of the year following that for which they were issued except as otherwise provided by this chapter, nor shall registration plates of the succeeding year be displayed before December 29 of said year.

Sec. 4. There is hereby appropriated out of the State Road Fund for the fiscal year of 1951-52 a sum sufficient to defray the increased expense arising from the manufacture and

issuance in 1951 of the second license plate provided for by KRS 186.040.

Ordered that said bills be printed and referred.

A resolution of the following title was introduced, viz:

By Mr. Saylor.

H. Res. No. 21. A JOINT RESOLUTION authorizing Bonnie Blake of Cumberland, Kentucky to file suit against the Commonwealth of Kentucky.

Said resolution is as follows, viz:

WHEREAS, it is alleged that on or about the 6th day of April, 1946, the Public School of the city of Cumberland, Kentucky, being a part of the Harlan County School System, at the end of its school term, directed, permitted and authorized the building of a school bleacher or platform for the purpose of having pictures of the graduating pupils taken therefrom, and the building and construction of this bleacher was turned over to the teachers of the school, and they in turn, assigned the building of same to young and inexperienced school children to build said bleacher and that on account of their youth and inexperience, negligently and carelessly built and so constructed the bleacher, that it was weak, flimsy and dangerous for students to be upon and that after the dangerous and negligent construction of said bleacher, the teachers of the school, who had the bleachers in charge, ordered the school children upon same to have their pictures taken, including Bonnie Blake, who at that time was only 17 years of age, and that while on said bleacher having the school picture taken, the bleacher collapsed and so crushed her leg that she is now permanently injured and unable to attend her regular calling of nurse and that she is damaged in the full sum of Ten Thousand Dollars;

THEREFORE

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the said Bonnie Blake be and is hereby authorized and permitted to bring suit against the Commonwealth of Kentucky in the Harlan Circuit Court for such damages as she may have sustained, not to exceed the sum of Ten Thousand dollars, by reason of the negligent construction and maintenance of said bleacher by the said school, and in the event any judgment is recovered by the said Bonie Blake in said suit, the same shall be paid by the Treasurer of the Commonwealth of Kentucky, out of the General Expenditure Fund on warrant of the Commissioner of Finance upon the State Treasurer.

The said Bonnie Blake and the said Commonwealth of Kentucky shall have the right to appeal, and the said case shall be tried in the manner and form provided by the Statutes and Code of Civil Procedure of the Commonwealth of Kentucky.

Ordered that said resolution be printed and referred.

Mr. Deering arose and spoke to a point of personal privilege.

CALENDAR

The House took up for consideration from the Calendar bills of the following titles, viz:

S. B. No. 21. AN ACT relating to advancements to sheriffs for expenses in counties containing a population of 75,000 or over; amending Section 64.140 of the Kentucky Revised Statutes; and declaring an emergency to exist.

H. B. No. 23. AN ACT requiring that in Cities of the Third Class, any street or road located outside the corporate limits which is a street or road of a subdivision established by a recorded plat that dedicates the street or road to public use, shall be maintained by the Fiscal Court of the county in the same manner as specified other roads, and that such roads must have the approval of the county engineer or Fiscal Court.

H. B. No. 17. AN ACT setting out that members of the police department, other than the chief of police, shall not be required to work more than eight hours per day for six days each week, except in event of emergency.

H. B. No. 53. AN ACT relating to the recordation of marriages, amending subsection (12) of Section 402.990 of the Kentucky Revised Statutes providing a penalty.

H. B. No. 55. AN ACT relating to the fee of court commissioners and receivers, amending Section 64.260 of the Kentucky Revised Statutes.

H. B. No. 27. AN ACT relating to the compensation of grand and petit jurors in circuit courts, amending subsection (1) of Section 29.390 of the Kentucky Revised Statutes.

H. B. No. 22. AN ACT relating to the meetings of boards of commissioners in cities operated under the City Manager form of government, amending Section 89.550 of the Kentucky Revised Statutes.

H. B. No. 58. AN ACT relating to the number of hours firemen of cities of the second class shall be required to be on duty and providing a vacation for such firemen, amending Section 95.500 of the Kentucky Revised Statutes.

Ordered that said bills be read at length the second time.

Mr. Duncan moved that the Constitutional provision as to the second reading at length of said bills be dispensed with, and the same be read for the second time by their titles only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said bills having been dispensed with, said bills were read for the second time by their titles only and

Ordered placed in the Orders of the Day.

Mr. Head moved that the rules be suspended and William Kirtley, Jr. be made an Honorary Page for the day.

Said motion was unanimously agreed to.

Mr. Head moved that the rules be suspended and the privilege of the floor extended to Mrs. William Kirtley.

Said motion was unanimously agreed to.

Mrs. Burnett moved that the rules be suspended for the purpose of making a Report of Committee.

Said motion was agreed to by a majority of the members elected.

Thereupon, the Committees to which the same had previously been referred, reported a resolution and bill of the following titles, viz:

By Mrs. Burnett of the Committee on Appropriations.

H. Res. No. 12. A JOINT RESOLUTION providing for the purchase and distribution of "The Legislative Digest," and declaring an emergency.

By Mr. Spaulding of the Committee on Cities of the Second Class.

S. B. No. 14. AN ACT classifying the City of Bowling Green, Warren County, Kentucky, as a city of the Second Class.

With the expression of opinion that same should pass.

Whereupon, said resolution and said bill were each and severally read at length for the first time and

Ordered placed in the Calendar.

ORDERS OF THE DAY

The House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 43. AN ACT to repeal, amend and reenact Section 738 of the Civil Code of Practice.

Mr. Drury moved that said bill be laid on the Clerk's desk.

Said motion was agreed to.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 44. AN ACT relating to elections.

Mr. Hilton moved that further consideration of said bill be deferred and same retain its place in the Orders of the Day.

Said motion was agreed to.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 100. AN ACT relating to coin vending machines, repealing Kentucky Revised Statutes, Sections 137.260, 137.270, 137.280, 137.290, 137.300, 137.310, 137.320, 137.330, and subsection (6) of 137.990, and declaring an emergency.

Mr. Calvert moved that said bill be laid on the Clerk's desk.

Mr. Preston moved that the motion as made by Mr. Calvert be laid on the table.

By unanimous consent, said motion as made by Mr. Preston was withdrawn.

Said motion as made by Mr. Calvert was agreed to.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 99. AN ACT relating to revenue and taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (1) of Section 133.120 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any taxpayer aggrieved by an assessment made by the tax commissioner may appeal to the board of supervisors. A letter or other written petition stating the reasons for appeal shall be filed with the county clerk between the date the inspection period begins and the date the board of supervisors convenes. The board of supervisors may review and change any assessment made by the tax commissioner upon recommendation of the tax commissioner, Department of Revenue, county judge, chief finance officer of any city using the county assessment or the superintendent of any school district in which the property is located, provided, such recommendation is made to the board in writing specifying the property recommended for review. If the board of supervisors determines that any such assessment should be increased, then it shall give the taxpayer notice in the manner required by Subsection (2) of KRS 132.450, specifying a date when the board will hear the taxpayer, if he so desires, in protest of such increase.

Section 2. WHEREAS, the county officials mentioned in KRS 133.120 as amended must make their recommendations to the county board of supervisors in February, 1950, now therefore, an emergency is hereby declared to exist and this Act shall become a law and take effect immediately upon its passage and approval by the Governor.

Mr. Calvert moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Calvert moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	William K. Henry	C. S. Nabb
Edgar Arnett	Ray Holbrook	Hobart Rayburn
Sidney Baer	Chester J. Holsclaw	W. R. Reasor
Walter J. Bailey	W. M. Horn, Jr.	Amos Runyan
Clarence J. Barnum	Richard R. Houpt	Dr. Roy Sanders
C. E. Baumgardner	Durham W. Howard	Roy Searcy
Fred Beshear	Maurice G. Howard	Gus Sheehan, Jr.
Edward O. Bridgers	Robert N. Hubbard	Jesse H. Shelton
Charles J. Bronston	Silas Jacobs	Forest Smith
J. D. Buckman, Jr.	Paul S. Jonas	Joseph T. Snapp
Mrs. M. E. Burnett	James W. Lambert	Roy Steers
Charles W. Burnley	Jesse H. Lawrence	Raymond D. Stigall
Alex Calvert	Mrs. J. T. Linton	Mrs. Thelma Stovall
Paul Combs	True Mackey	W. R. Stringer
B. H. Crider	Damon Majors	M. G. Thompson
Owen Deering	John Martin	Rev. T. H. Tinsley
G. I. Drury	Jack McPherron	Ralph N. Walter
Mitchell S. Fannin	Alton Mitchell	Fred M. Warns
James P. Hanratty	Walter R. Moorman	Adron Doran,
George F. Harris	Fred H. Morgan	Speaker
Paul E. Hayes		

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Those who voted in the negative were—

Bill Adams	Thomas R. Duncan	Woodrow W. Hollan
Leonard T. Bean	Henry C. Hale	Barkley Jones
John D. Beatty	C. A. Hammons	William Jones
L. E. Bradley	John A. Head	Homer E. Losey
Stanley Carter	Harold G. Helm	A. L. (Chick) Love
Josh R. Cosby	E. R. Hilton	William T. Marshall

Archie R. Moore	LeRoy Saylor	Harry L. Waterfield
Dr. C. E. Palmore	Paul E. Shannon	Lyle H. Webb
Leonard W. Preston	John M. Spaulding	Morris Weintraub
Carl J. Ruh	Egbert V. Taylor	–29

Resolved that the title thereof be as aforesaid.

Mr. Calvert moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Ruh moved that the rules be suspended for the purpose of offering a resolution.

Said motion was agreed to by a majority of the members elected.

Thereupon, Messrs. Sheehan, Jr., Shannon, Jonas and Ruh offered the following resolution, viz:

H. Res. No. 22.

A RESOLUTION memorializing the 50th anniversary of the date of the untimely, cowardly assassination of William Goebel, elected governor of Kentucky.

Be it resolved by the House of Representatives and the Senate concurring therein:

That February 3, 1950 be and the same is hereby designated as Governor William Goebel day, he having been cruelly shot in front of the Old Capitol Building as he carried out his duties of Governor of this Commonwealth.

BE IT FURTHER RESOLVED that that the members of the General Assembly pay tribute to this Great Commoner and the Protector of the Common People by recessing to a joint session to be held around the monument to Governor William Goebel, standing in front of our beautiful Capitol Building.

BE IT FURTHER RESOLVED that a memorial wreath be placed on the statue.

BE IT FURTHER RESOLVED that Governor Earle Clements deliver the address to the joint meeting of the General Assembly and that the public be invited thereto.

BE IT FURTHER RESOLVED, that at the conclusion of said meeting the taps be played by a member of the National Guard to be designated by the Adjutant General of the State of Kentucky and that the Military Salute for such an occasion be arranged by the Adjutant General of the State of Kentucky.

The memorial wreath will not be at the expense of the Commonwealth of Kentucky since his friends of Northern Kentucky desire to present it.

Said resolution was adopted.

Mr. Burnley moved that the rules be suspended for the purpose of making a motion.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Burnley moved that when the House adjourn today it adjourn in memory of the late President Franklin Delano Roosevelt.

Said motion was agreed to.

Mr. Hanratty moved that the House do now adjourn to meet again at 8 o'clock, p.m., Tuesday, January 31, 1950.

Said motion was agreed to.

TUESDAY, JANUARY 31, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Honorable B. H. Crider, a member of this body.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams
Bill Adams
Edgar Arnett
Sidney Baer
Walter J. Bailey
Clarence J. Barnum
C. E. Baumgardner
Leonard T. Bean
John D. Beatty
Fred Beshear
R. O. Blevins
L. E. Bradley
Edward O. Bridgers
Thomas L. Britton
Charles J. Bronston
J. D. Buckman, Jr.
Alex Calvert
Stanley Carter
Paul Combs
Josh R. Cosby
B. H. Crider
Owen Deering
G. I. Drury
Thomas R. Duncan
R. C. Estepp, Sr.
Mitchell S. Fannin
Henry C. Hale
C. A. Hammons
James P. Hanratty
George F. Harris
Paul E. Hayes
Harold G. Helm
William K. Henry
E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
Richard R. Houpt
Robert N. Hubbard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
James W. Lambert
Jesse H. Lawrence
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
Harry K. Lowman
True Mackey
Damon Majors
John Martin
William T. Marshall
Jack McPherron
Alton Mitchell
Emmett G. Moore
Walter R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
James H. Polsgrove
Leonard W. Preston
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
LeRoy Saylor
Roy Searcy
Paul E. Shannon
Gus Sheehan, Jr.
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spaulding
J. Claude Stacy
Roy Steers
Mrs. Thelma Stovall
W. R. Stringer
Rev. T. H. Tinsley
Ralph N. Walter
Fred M. Warns
Lyle H. Webb
G. F. Williamson
Charles W. Wirsch
Adron Doran, Speaker

Mr. Baer moved that leaves of absence be granted to Mrs. Burnett, Messrs. Burnley, Head, Durham W. Howard, Maurice

G. Howard, McClain, Archie R. Moore, Runyan, Sanders, Shaw, Stigall, Taylor, Thompson and Weintraub.

Said motion was agreed to.

Mr. Harris moved that the reading of the Journal of the proceedings of Thursday, January 26, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Mr. Hanratty moved that the rules be suspended and the privilege of the floor extended to Mr. B. G. Davidson, a former member of this body.

Said motion was unanimously agreed to.

Mr. Helm moved that the rules be suspended and the privilege of the floor extended to Mr. J. C. Carter.

Said motion was unanimously agreed to.

Mr. Hayes moved that the rules be suspended and the privilege of the floor extended to Messrs. Raymond Griffith, Charlie Hunter and Burnes Martin.

Said motion was unanimously agreed to.

Mr. Head moved that the rules be suspended and Doris Beatty and Dorothy Stewart be made Honorary Pages.

Said motion was unanimously agreed to.

Mr. Preston moved that the rules be suspended and the privilege of the floor extended to Penny Pendleton and Boots Chaney.

Said motion was unanimously agreed to.

Mr. Searcy moved that the rules be suspended and the privilege of the floor extended to Mrs. Edgar Arnett.

Said motion was unanimously agreed to.

Mr. Marshall moved that the rules be suspended and the privilege of the floor extended to Mr. Homer C. Hickerson.

Said motion was unanimously agreed to.

Mr. Morgan moved that the rules be suspended and the privilege of the floor extended to Mr. Fred Creasey.

Said motion was unanimously agreed to.

Mr. McPherron moved that the rules be suspended and the privilege of the floor extended to Mr. E. Chandler.

Said motion was unanimously agreed to.

Mr. William Jones moved that the rules be suspended and the privilege of the floor extended to Mr. Ernest Childress.

Said motion was unanimously agreed to.

Mr. Barkley Jones moved that the rules be suspended and the privilege of the floor extended to Messrs. Lynn Yates, Emmett Thurmond and John E. Floyd.

Said motion was unanimously agreed to.

Mr. Helm moved that the rules be suspended and the privilege of the floor extended to Mr. McKinley Ralston and Mr. Paul Carter.

Said motion was unanimously agreed to.

Mr. William Jones moved that the rules be suspended and the privilege of the floor extended to Messrs. William Pickering, Glover Lewis, Clancine Baker, Gordon Lisanby and Thomas Bonn.

Said motion was unanimously agreed to.

A resolution of the following title was introduced, viz:

By Mr. Losey.

H. Res. No. 23. A JOINT RESOLUTION authorizing and directing the payment of a claim of Teddy C. Decker, of Pulaski County, Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Teddy C. Decker, former Jailer of Pulaski County, has a claim against the Commonwealth, which claim has been proved and allowed according to law, and being a claim for fees for services which the Commonwealth is required by law to pay, and which is in the total amount of $21.60.

It appearing that said claim was not presented for payment by the Commonwealth within the time prescribed by statute, and it further appearing that the claim is a just claim against the Commonwealth, the Commissioner of Finance is hereby authorized and directed to pay the claim when presented, and the Statute of Limitations as now provided by law shall not be a bar to the payment of said claim, and the amount necessary to pay said claim, being $21.60, is hereby appropriated out of the General Expenditure Fund in the State Treasury for that purpose.

Ordered that said resolution be printed and referred.

Bills of the following titles were introduced, viz:

By Mr. Buckman, Jr.

H. B. No. 180. AN ACT imposing a tax upon the sale, use, consumption, handling or distribution of non-alcoholic beverages.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act, unless the context requires otherwise:

(a) "Dealer" shall include every person, firm, corporation or association of persons who manufactures or who imports from any state or foreign country any bottled soft drinks or soft drink syrup as herein defined for distribution, sale, use or consumption in this state and any person, firm, corporation or association of persons who sells, offers for sale, or has in his possession for sale, use, consumption or distribution, any bottled soft drinks or soft drink syrup as herein defined who cannot prove that the tax levied by this Act has been previously paid on the said bottled soft drinks or soft drink syrup as herein defined, or that the payment of said tax has been guaranteed by bond which has been furnished and accepted.

(b) "Commissioner" shall mean the Commissioner of Revenue or his duly authorized representatives.

(c) "Retail selling price" shall mean the ordinary, customary or usual price paid by the consumer for each taxable article sold at retail before the tax levied by this Act has been paid.

(d) "Syrup" or "syrups" shall mean the compound mixture or basic ingredient used in the making, mixing or compounding of soft drinks at soda fountains by the mixing with same or carbonated or plain water, ice, fruit, milk or any other product suitable to make a soft drink, among such syrups being such products as coca-cola syrup, chero-cola syrups, lemon syrup, vanilla syrup, cherry smash syrup, rock candy syrup, simple syrup, nu-grape syrup, Dr. Pepper syrup, or all prepared syrups sold or used for the purpose of mixing soft drinks at soda fountains.

(e) "Stamp" shall mean the impression, device, stamp, label or print manufactured or printed as prescribed by the Commissioner of Revenue by use of which the tax levied hereunder is paid.

(f) "Crown" shall mean the crown or crowns by the use of which the tax levied hereunder is paid if so authorized by the Commissioner of Revenue.

(g) "Bottled soft drinks" shall include any and all beverages whether carbonated or not, such as soda water, ginger ale, nu-grape, coca-cola, lime-cola, pepsi-cola, Dr. Pepper, fruit juice, milk drinks when any flavoring or syrup is added, cider, cordial, carbonated water, or any and all preparations commonly referred to as soft drinks of whatsoever kind and description which are closed or sealed in glass, metal, paper or any other type of bottle or container. Soft drinks are further defined to include any and all beverages commonly referred to as soft drinks which are manufactured without the use of any syrup. Provided, that the provisions of this Act shall not apply to unadulterated fruit juices in original state.

Sec. 2. There is hereby levied a tax upon the sale, use, consumption, handling or distribution of all bottled soft drinks as herein defined and all soft drink syrup within this state, as follows:

(a) On bottled soft drinks a tax of one-fourth (¼c) cent on each five (5c) cents or fractional part thereof of the retail selling price thereof.

(b) On syrups a tax of twenty (20c) cents per gallon and a like or proportionate rate on more or less than a gallon.

(c) No stamp or crown evidencing the tax herein levied shall be of a denomination less than one-fourth (¼c) cent.

Sec. 3. In order to enforce the collection of the tax hereby levied, the Commissioner shall design and have printed stamps of such size and denominations as may be determined by the Commissioner, so manufactured as to render the stamps easy to be glued and attached to containers of taxable articles subject to tax according to this Act; that the stamps shall be affixed by the dealer on the smallest containers that will be handled, sold, used, consumed or distributed to the consumer, to permit the Commissioner to readily ascertain by an inspection of any dealer's stock on hand whether or not said tax has been paid as provided in this Act.

(a) Stamps required to be affixed by the provisions of this Act shall be fixed in such manner that their removal will require

continued application of steam or water and shall be cancelled by placing thereon the permit number of said dealer.

(b) All soft drink tax stamps shall be purchased from and sold by the Commissioner. Any person other than the Commissioner who sells soft drink tax stamps, not affixed to taxable articles, whether the said stamps be genuine or counterfeit, shall be guilty of a felony and punishable as set out in Section 10 of this Act.

(c) Tax crowns may be used in lieu of stamps.

(1) The Department of Revenue may, in its discretion, prescribe that bottled soft drinks taxes be collected by means of tax crowns of such distinctive design as it may prescribe, in lieu of stamps required or by means of both crowns and stamps used as prescribed, or as may be directed by regulation.

(2) If the department authorizes and requires the use of tax crowns, no dealer shall possess any bottled soft drinks not having affixed to it the appropriate crown or stamp required, except for export from the state.

(3) If the department orders the use of crowns, it shall devise and enforce by regulation means whereby the manufacturer of the crowns shall make bond in favor of the state in an amount approved by the department, conditioned that the manufacturer will not sell or deliver the crowns to any person except on written approval of the department, and that in all other respects the manufacturer will faithfully safeguard the handling and distribution of the crowns so that the revenues of the state may be fully protected.

Sec. 4. (a) It is the intent and purpose of this Act to levy an excise tax on all bottled soft drinks and syrup, as defined in this Act, when sold, used, consumed, handled or distributed in this State and to collect same from the dealer who first distributes, sells, uses, consumes or handles the same in this State. When a dealer gives away bottled soft drinks or syrup for advertising or any other purpose whatsoever the same shall be taxed in the same manner as if it were sold, used, consumed, handled or distributed in this State.

(b) It is further the intent and purpose of this Act to require all manufacturers and dealers in bottled soft drinks to affix either soft drink tax stamps or soft drink tax crowns if authorized by the Commissioner to each individual bottle of soft drinks sold, used, consumed, handled or distributed, and when the said stamps or crowns are so affixed they shall be evidence of the payment of the tax provided herein. That in the event the manufacturers of bottled drinks either within or without the State of Kentucky shall use the soft drink tax crowns as herein provided for, then and in such event, said manufacturer shall be relieved of the duty of stamping each individual bottle.

(c) It is further the intent and purpose of this Act to exempt from the tax levied herein:

(1) Unadulterated fruit juices in their original state;

(2) Milk drinks sold direct to school children on school premises, or sold through a school organization to school children on school premises;

(3) All bottled milk drinks which contain more than fifty percent (50%) by volume of fluid milk.

Sec. 5. Every person in this state who sells or is about to engage in the business of a dealer in any or all of the article or articles taxed hereunder shall first apply to and obtain from the Commissioner a permit or permits and shall obtain a separate permit for each place of business of such dealer; and shall pay to the Commissioner a fee of Five ($5.00) Dollars for each permit. "Place of business" as used in this section is construed to include the place where orders are received, or where articles taxed under this Act are sold, or if sold upon a railroad train or on or from any other vehicle, the vehicle on which or from which such taxable articles are sold shall constitute a place of business.

The Commissioner, after notice and opportunity to be heard, under regulation to be made by him, may revoke the permits of any wholesale dealer or any retail dealer for violation of this Act, or for willful or presistent violation of regulations made under this Act. No new permit shall be issued to any one whose permit has been revoked except in the discretion of the Commissioner.

Sec. 6. Every dealer in this State shall immediately after receipt of any unstamped syrup or any bottled soft drinks, unless sooner offered for sale, cause the same to have the requisite denominations and amount of stamps or stamps to represent the tax affixed as stated herein, and to cause same to be cancelled by writing or stamping across the face of each stamp the permit number of each dealer. The stamping of said unstamped syrup or bottled soft drinks shall actually begin within one (1) hour after receipt of syrup or bottled soft drinks in the premises of the dealer, and stamping shall be continued with reasonable diligence by the dealer until all of the unstamped taxable articles have been stamped and the stamps cancelled as provided by law. Provided, that each and every dealer in syrup and bottled soft drinks in this State shall furnish to the Department of Revenue who is charged with the duty of collecting the tax levied by this Act, a bond in the minimum amount of One Thousand ($1,000.00) Dollars, guaranteeing the payment of all taxes and penalties levied by this Act, said bond to be executed by a surety company duly qualified to do business in this State. That the tenor, solvency and maximum amount of said bond shall be satisfactory to the Commissioner, the maximum amount of said bond to depend upon the volume of business of the wholesale dealer and must be in an amount sufficient in the discretion of the Commissioner to guarantee the State against any and all losses for taxes and penalties levied by the provisions of this Act.

Each bond submitted to the Commissioner must be accompanied by a power of attorney of the agent executing the bond for the surety company, together with a certificate which evidences the fact that the power of attorney was in force and effect as of the date the bond was executed.

The Department of Revenue may promulgate rules and regulations pertaining to the replacement of the taxpaid on taxable articles shipped beyond the borders of the State.

Every dealer shall, at the time of shipping or delivering any articles taxable under this Act, make a true duplicate invoice of the same which shall show full and complete details of the sale or delivery of the taxable article and the dealer shall retain the same subject to the use and inspection of the Department

of Revenue for a period of two (2) years. Dealers shall also keep a record of purchases of all articles taxable under this Act purchased by them, and hold all books, records and memoranda pertaining to the purchase and sale of such articles open to the inspection of the Department of Revenue for a period of two (2) years.

Sec. 7. Whenever any of the articles taxed in this Act are found in the possession of any dealer or any other person without the stamps affixed and cancelled, except as may be provided by rules and regulations, the prima facie presumption shall be that such articles are kept in violation of the provisions of this Act. Dealers shall keep a record of purchases of all syrups and bottled soft drinks purchased by them and all simple syrups made, compounded or manufactured by them, and shall hold all books, records and memoranda pertaining to purchase, sale or manufacture of such taxable articles open to the inspection of the Commissioner or his duly authorized agent, for a period of two (2) years.

Every retail dealer in taxable articles as set out in this Act purchasing or receiving any taxable articles from without the State, whether the same shall have been ordered through a wholesale dealer or jobber within this State or by drop shipment, or otherwise, shall within twenty-four (24) hours after receipt of same, mail a duplicate invoice of all such purchases, or receipts to the Department of Revenue. Failure to furnish such duplicate invoice as required shall be deemed a misdemeanor and punishable as set out in Section 10 of this Act.

Sec. 8. The Department of Revenue shall collect, supervise and enforce the collection of all taxes and penalties that may be due under the provisions of this Act, and to that end the Department is hereby vested with all the power and authority conferred by this Act.

The Department of Revenue may promulgate rules and regulations to provide for the collection of the amount of tax due on all bottled soft drinks and syrup taxable under the provisions of this Act in possession of dealers, on the effective date of this Act, so as to prevent any bottled soft drinks and syrup

being sold within this State without the tax herein provided for being paid.

Sec. 9. The revenue derived from the tax imposed by this Act hereby is appropriated to the Common School Per Capita Fund, for the payment and increasing of the monthly salaries of teachers and for no other purpose; this appropriation to be in addition to any other appropriation made by any other Act to this Common School Per Capita Fund.

Sec. 10. Any person violating any provision of this Act, shall be fined not less than one hundred dollars nor more than one thousand dollars.

Any person violating subsection (b) of section three of this Act shall be imprisoned for not less than one nor more than five years, in addition to being punished by fine.

By Mr. Doran.

H. B. No. 181. AN ACT providing for the purchase of liability and indemnity insurance for pupils attending the common schools and authorizing school boards to purchase same.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Each Board of Education may set aside funds for the purchase of group accident and indemnity insurance to cover and provide for any injury which may be sustained by any bona fide pupil of any school under the control of the Board. This insurance shall cover and include any and all injuries while the pupil is on his way to and from school, except as provided in KRS 160.310, or on the school properties and under the supervision of the school authorities which shall include duly authorized teachers. This insurance shall also cover any and all injuries incurred by members of athletic teams and other authorized representatives of the school sustained whether on or off the school premises while engaging in any school sponsored activity or while traveling for the purpose of engaging in such activity, provided that in no event shall liability be involved unless an injury occurs while the pupil is

under the supervision or control of a duly authorized teacher, coach, or other school official.

Section 2. Any indemnity bond or insurance policy shall be issued by some security or insurance company authorized to transact business in this state and shall bind the company to pay any final judgment rendered against the insured for any injury to any pupil or for any claim for death made by his representative subject to the conditions set out in Section 1.

Section 3. WHEREAS there is a vital need to properly protect the school children of the state in going to and returning from school, and while engaging in school sponsored activities, it is necessary that this legislation be effective immediately and an emergency is hereby declared to exist, and this bill will become law immediately upon its passage and approval by the Governor.

By Mr. Fannin.

H. B. No. 182. AN ACT relating to parental and marital duties and obligations, with particular relation to desertion, abandonment or failure to provide maintenance or support for a child or wife, and the custody of children; amending KRS 435.240.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 435.240 of the Kentucky Revised Statutes is amended to read as follows:

(1) The parent of any child residing in this state who leaves, deserts or abandons a child under the age of sixteen years, leaving the child in destitute or indigent circumstances and without making proper provision for the board, clothing, education and proper care of the child in a manner suitable to the condition and station in life of the parent and the child, or any married man who leaves, deserts or abandons his wife while she is pregnant by him, leaving her in destitute or indigent circumstances and without making proper provision for the board, clothing and proper care of the wife in a manner suitable to the condition and station in life of the man and his wife, shall be confined in the penitentiary for not less than one nor more than five years.

(2) The circuit court may postpone, at the request of the defendant, any trial under any indictment returned under subsection (1) of this section during the good behavior of the defendant, and may suspend judgment upon any verdict of conviction during the good behavior of the person convicted. It shall have power over the verdict or indictment for five years after the return of such an indictment or the rendition of such a verdict, and may dismiss such an indictment or set aside such a verdict when in the exercise of a sound judicial discretion it deems the conduct of the parent will warrant such action.

(3) (a) If a divorce has been granted by a court of competent jurisdiction, and thereafter the parent of any child under the age of sixteen years shall fail to comply with the orders of the court relative to the maintenance or support of the child as set forth in the judgment granting the divorce, or if the parent having the custody of such child under the orders of the court shall abandon or desert the child, or if a parent, not having the custody of the child shall take and carry away the child from the custody of the parent or other person to whom the custody of the child was awarded by the judgment of divorce, or by a subsequent order of the court amending the judgment, without the consent of the parent or other person having custody, the parent so doing shall be deemed guilty of a felony and upon conviction shall be confined in the penitentiary for not less than one nor more than five years.

(b) The circuit court in which the divorce was granted, the circuit court of the county where the custodian of the child resided at the time of the offense set out in this subsection was committed, and the circuit court of the county where the child was when the offense was committed, shall each have jurisdiction of the prosecution under this subsection.

(c) The provisions of subsection (2) of this Section in regard to postponement of trial and suspension of judgment shall also apply to any indictment, trial or judgment under this subsection.

Sec. 2. Whereas, the conduct for which this Act imposes a penalty constitutes an imminent danger to the welfare and security of the children of this Commonwealth, and is responsible for promoting serious conditions of juvenile delinquency, an

emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

By Messrs. Hayes and Hale.

H. B. No. 183. AN ACT changing the classification of the City of Martin, in Floyd County, and declaring an emergency.

Said bill is as follows, viz:

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Martin, in Floyd County, is such as to justify its being assigned to the fourth class of cities;

Now therefore,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The City of Martin, in Floyd County, is transferred from the sixth class to the fourth class of cities.

Sec. 2. Whereas, the reclassification of the City of Martin is necessary to enable the city to finance needed improvements of its streets and sewers, all of which are essential to the public health and welfare of the state, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

By Messrs. Hayes and Carter.

H. B. No. 184. AN ACT relating to elections for members of school boards, amending sections 160.180, 160.260 and subsection (1) of section 160.210 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 160.180 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall be eligible to membership on a board of education;

(a) Unless he has attained the age of twenty-four years; and

(b) Unless he has been a citizen of Kentucky for at least three years preceding his election and, if in an independent district, is a voter of the district for which he is elected,

or, if in a county district, is a voter of the division of the district for which he is elected; and

(c) Unless he has completed at least the eighth grade in the common schools as shown by the records of the school in which the eighth grade was completed or by affidavit of the teacher or teachers under whom the work was completed, or unless he has the equivalent of an eighth grade education as determined by an examination held under rules and regulations adopted by the State Board of Education; or

(d) Who holds or discharges the duties of any civil or political office, deputyship or agency under the city or county of his residence; or

(e) Who, at the time of his election, is directly or indirectly interested in the sale to the board of books, stationery or any other property, materials, supplies, equipment or services for which school funds are expended; or

(f) Who has been removed from membership on a board of education for cause.

(2) If, after the election of any member of the board, he becomes interested in any contract with or claims against the board, of the kind mentioned in paragraph (e) of subsection (1) of this section, or becomes a candidate for nomination or election to any office or agency the holding and the discharge of the duties of which would have rendered him ineligible before election, or, by moving from the district or division in which he resides, he fails to maintain the residence required provided by paragraph (b) of subsection (1) of this section, or if he does anything that would render him ineligible for re-election, his office shall, without further action, be vacant.

(3) A board member shall be eligible for re-election unless he becomes disqualified.

(4) No member of a board of education shall vote regarding the appointment or employment in any capacity of any person related to him, as father, mother, brother, sister, husband, wife, son, daughter, nephew, niece, aunt, uncle, son-in-law, daughter-in-law or first cousin, and the majority vote of the re-

mainder of the board is required in case of appointment or employment of such person.

Sec. 2. Section 160.260 of the Kentucky Revised Statutes is amended to read as follows:

(1) In county districts each voter shall vote for one candidate from each division from which a member is being elected by making a cross in the square opposite the name of the candidates for whom he wishes to vote. The candidate from each division receiving the highest number of votes cast for the candidates from that division shall be declared elected.

(2) In independent school districts each voter may vote for as many candidates as there are members to be elected by making a cross in the square opposite the name of each candidate for whom he wishes to vote, and the ballot shall show the number of board members to be elected. The candidates, in number equal to the number of members to be chosen, who have the highest number of votes shall be declared elected.

Sec. 3. Subsection (1) of section 160.210 of the Kentucky Revised Statutes is amended to read as follows:

In independent school districts, the members of the school board shall be elected from the district at large. In county school districts, members shall be elected from divisions by the voters of the entire district.

By Mr. Carter.

H. B. No. 185. AN ACT relating to misrepresentation or attempted misrepresentation of age.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Where, in order to be entitled to a right, privilege or benefit, a person is required by law to be of a minimum age, any person who intentionally misrepresents or attempts to misrepresent his age to be of such minimum shall be fined not less than ten nor more than fifty dollars or imprisoned in the county jail for not more than ten days, or both.

By Mr. Baer.

H. B. No. 186. AN ACT providing for the repeal and re-enactment of KRS 96.250, providing for the election and salaries of officers and appointment and salaries of employees of waterworks in cities of the first class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

That Kentucky Revised Statutes, Section 96.250, is hereby repealed and re-enacted and as re-enacted shall read as follows:

The board of waterworks shall annually elect a president, treasurer, secretary and chief engineer, who shall hold their offices for one year, or until their successors have been elected and qualified, and devote all their time to the duties of their respective offices. No member of the board except the president shall receive a salary, but the board may allow compensation to each member other than the president for attendance upon the meetings of the board, not exceeding ten dollars for each meeting attended. The president shall be elected from the members of the board. The president, secretary and treasurer shall each give bond, with approved surety, in an amount fixed by the board, payable to the board and conditioned that the makers will faithfuly perform the duties of their several offices. The board may appoint such other employees as it deems necessary or proper and may fix the compensation of its officers and employees.

By Mr. Hammons.

H. B. No. 187. AN ACT relating to cigarette taxes, amending subsection (1) of Section 138.140 of the Kentucky Revised Statutes and making an appropriation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Subsection (1) of Section 138.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) A tax shall be paid on the sale of cigarettes made of tobacco, or any substitute for tobacco, of two cents on each ten cents or fractional part thereof of the retail selling price. This tax shall be paid only once, regardless of the number of times the cigarettes may be sold in this state.

Sec. 2. One-half of the revenue received from the tax imposed by KRS 138.140 during the fiscal years of 1950-51 and 1951-52 is appropriated to the Common School Per Capita Fund for each of those fiscal years, except that four percent of this one-half is appropriated to the Teachers' Retirement Fund for each of those fiscal years.

By Messrs. Wirsch and Hammons.

H. B. No. 188. AN ACT relating to the employment of persons by educational institutions receiving public funds.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No person shall be employed in an instructional or non-instructional capacity by any public educational institution supported or supported in part by the funds of the Commonwealth of Kentucky, or no such person now employed shall be re-employed, unless he shall swear and subscribe to before a notary public the following oath:

"I solemnly swear that I will support the Constitution and laws of the United States and of the Commonwealth of Kentucky. I do further solemnly swear that I am not a member of the Communist Party or affiliated with such party, nor do I believe in, nor am I a member of, nor do I support any organization that believes in or teaches the overthrow of the government of the United States by force or by any illegal or unconstitutional methods."

Sec. 2. The oath shall be taken when any contract of employment is entered into or renewed and shall be sworn to in duplicate, one copy of which shall be filed in the office of the institution employing the person and the other of which shall be filed with the Department of Education.

By Mr. Hammons.

H. B. No. 189. AN ACT relating to taxes on distilled spirits, amending Sections 243.680 and 243.690 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 243.680 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall manufacture distilled spirits in this state unless he first obtains from the department a permit to engage in the business of manufacturing distilled spirits. At the time of the issuance of the permit he shall pay to the state a tax of ten cents for each proof gallon of distilled spirits for which the permit is issued.

(2) (a) No person shall ship or transport or cause to be shipped or transported into the state any distilled spirits from points without the state without first obtaining a permit from the department and paying a tax of ten cents on each proof gallon contained in the shipment.

(b) No railroad company or express company shall receive for shipment or ship into this state any package or receptacle containing distilled spirits unless a copy of the permit, showing that payment of required taxes has been made, accompanies the shipment.

(c) The permit shall be in a form prescribed by the department, and all shipments into the state shall be governed by regulations promulgated by the department.

(d) A railroad or express company need not obtain a permit to transport distilled spirits, but shall be subject to all regulations of the department.

Sec. 2. Section 243.690 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall engage in the business of blending, rectifying or mixing distilled spirits, without obtaining from the department a permit to blend, rectify or mix distilled spirits. An excise tax of ten cents is imposed for each proof gallon of distilled spirits that has not borne the tax imposed by KRS 243.680 and which is used in said blending, rectifying or mixing.

(2) A person engaging in the business of blending, rectifying or mixing distilled spirits shall report on or before the tenth day of the succeeding month, in such form and stating such facts as may be prescribed by the department, the amount of distilled spirits blended, rectified or mixed during the preceding month. At the time of making the report, he shall pay the tax due under this section.

Sec. 3. One-half of the revenue received from the taxes imposed by KRS 243.680 and 243.690 during the fiscal years 1950-51 and 1951-52 is appropriated to the Common School Per Capita Fund for each of those fiscal years, except that four per cent of this one-half is appropriated to the Teachers' Retirement Fund for each of those fiscal years.

H. B. No. 190. AN ACT relating to taxes on malt beverages, amending subsection (3) of Section 243.720 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Subsection (3) of Section 243.720 of the Kentucky Revised Statutes is amended to read as follows:

(3) There is levied upon the sale or distribution by sale or gift of malt beverages an excise tax of $3.00 on each a barrel of thirty-one gallons and a proportional rate per gallon on malt beverages sold or distributed in any container of more or less than thirty-one gallons.

Sec. 2. One-half of the revenue received from the tax imposed by subsection (3) of KRS 243.720 during the fiscal

years of 1950-51 and 1951-52 is appropriated to the Common School Per Capita Fund for each of those fiscal years, except that four percent of this one-half is appropriated to the Teachers' Retirement Fund for each of those fiscal years.

By Mr. Estep.

H. B. No. 191. AN ACT relating to the sale or delivery of coal, coke and charcoal.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

No person shall sell or deliver to the consumer any coal, coke, or charcoal unless at the time of delivery a slip showing the correct weight thereof is delivered to the purchaser. Any person selling or delivering to the consumer any coal, coke, or charcoal of a lesser weight than that shown on the slip shall be fined not less than ten dollars nor more than five hundred dollars, or imprisoned in the county jail not less than ten days nor more than thirty days or both.

By Mr. Williamson.

H. B. No. 192. AN ACT relating to notaries public.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. Section 64.290 of the Kentucky Revised Statutes is amended to read as follows:

Notaries public, examiners or other officers authorized to take depositions may collect for the following services, the following fees:

(1) For taking depositions and certifying the same, not exceeding $10.00 per day where the taking consumes more than one session in any one day; or where the deposition is being taken in some city other than the residence of the officer before whom the deposition is being taken, not exceeding $15.00 per day; and not exceeding $5.00 per day or per session where the taking does

not consume more than one morning or one afternoon session, and is in the same city in which the officer taking the depositions resides.

(2) For making an original transcript, or for making a duplicate transcript for a person other than for the person for whom the original was made, not exceeding twenty cents per one hundred.

(3) For making a duplicate or carbon copy of a transcript for a person who had ordered the original transcript, not exceeding ten cents per one hundred words.

(4) For issuing a subpoena or any other writ, or making a certificate, or for performing any other service, the same fee that is allowed to Circuit Court Clerks for issuing similar writs, making certificates or performing other services.

2. A new section of the Statutes is created, to be numbered KRS 64.291 and to read as follows:

Any notary public, examiner or other officer authorized to take depositions or statements under oath, may take such depositions or statements under oath, to be used in any case pending in any such court or before any Court official, and any such court or court official is hereby expressly prohibited from limiting such taking to any special notary public, examiner or other officer authorized to take depositions or testimony or statements under oath. A deposition or statement taken under oath before any notary public, examiner or other official authorized by law to take depositions and statements under oath, shall be duly received and filed in the court in which the case, which is the subject-matter of said deposition or other writing given under oath, is pending, when duly certified by said authorized officer.

By Messrs. Henry and Lowman.

H. B. No. 193. AN ACT relating to the exemption from inheritance taxation of a wife.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 140.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) There shall be free from any tax under the preceding provisions of this chapter the following inheritable interests:

(a) Wife, $50,000;

(b) Infant child by blood or a child by blood who has been declared incompetent by a court of competent jurisdiction, $10,000;

(c) All other persons of class A, under KRS 140.070, $5,000;

(d) All persons of class B, under KRS 140.070, $1,000; and

(e) All persons of class C, under KRS 140.070, $500.

(2) If the decedent was not a resident of this state, the exemption shall be the same proportion of the allowable exemption in the case of residents that the property taxable by this state bears to the whole property transferred by the decedent.

(3) The exemptions provided in this section shall be subtracted from the value of the respective distributive shares before the rates, provided in KRS 140.070, are applied thereto to determine the amount of tax due thereon.

By Mr. Lowman.

H. B. No. 194. AN ACT relating to public utilities and the Public Service Commission, amending sections 278.180 and 278.190 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 278.180 of the Kentucky Revised Statutes is amended to read as follows:

No utility shall put into effect a rate increase until the procedure provided for by KRS 278.190 has been followed and until the commission has issued an order approving the increase.

Sec. 2. Section 278.190 of the Kentucky Revised Statutes is amended to read as follows:

(1) On initiating a proposed rate increase a utility shall cause notice of the proposal to be given concurrently to the Commission and to all the cities and counties affected. This notice shall contain all necessary information, including a detailed schedule of the proposed rate changes. Within ten days after receipt of such notice the Commission shall set a date for a public hearing on the proposed new rate schedule, said date to be not sooner than seventy-five days nor more than one hundred and eighty days after receipt of the notice, except that by agreement of all parties an earlier or later hearing date may be agreed upon, but in no event shall a hearing date be delayed longer than three hundred and sixty days. Upon fixing the hearing date the commission shall cause notice of same to be published in the two newspapers of largest bona fide circulation in the cities and counties affected at least once a week for the six weeks immediately preceeding the hearing date. The cost of these notices shall be paid by the utility requesting the change in the rate schedule.

(2) The commission shall not order an increase in the rates charged by a utility until after a public hearing, as provided for in subsection (1) of this section, and a finding that the proposed increases are just, reasonable, non-discriminatory and lawful.

(3) A utility may put into effect reductions in rates charged merely by filing with the commission a schedule setting out the new rates.

(4) The provisions of this section are intended to be cumulative and are not intended to abrogate or eliminate any other rights or procedures provided for by law.

By Mr. Estep.

H. B. No. 195. AN ACT relating to acknowledgment of legal instruments.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The county surveyor shall have the power to receive acknowledgments of legal instruments and shall receive the same fee therefor as is provided by law for County Clerks.

H. B. No. 196. AN ACT relating to fees of arbitrators, appraisers, surveyors, chain-carriers, viewers and processioners.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 64.310 of the Kentucky Revised Statutes is amended to read as follows:

(1) Arbitrators shall be allowed five dollars per day and all expenses incurred in the performance of their duties, to be paid by the successful party and taxed as costs.

(2) Where no other fee is provided by law, appraisers shall be allowed five dollars per day and all expenses incurred by them in the performance of their duties, to be paid out of the estate.

(3) When land or improvements, in a county containing a population of 150,000 or over, are ordered by a court to be sold, and an appraisement is required, the appraisers shall be paid out of the proceeds of the sale a reasonable compensation fixed by the court, to be taxed as a part of the costs of the action.

Sec. 2. Section 64.320 of the Kentucky Revised Statutes is amended to read as follows:

The fees of surveyors for the following services shall be as follows:

Surveying a town lot, land for a mill seat, patent land by the patent boundaries, or any other tract of land and making a plat thereof, or running a dividing line, per hour	$2.00
Each plat and connection	1.00
Each tract represented on a connected plat over two	.50
Running a dividing line between two counties, to be paid by the new county, where one is made; and if between counties existing, to be paid by the counties equally interested, per day	5.00

Receiving and receipting for land warrant	.25
Copy of a certificate and survey	.50
Making an entry for land and copy	.25
Every survey made under an order of court, for every three poles	.01
Attending commissioners in dividing land or assigning dower, per day	2.00
Every plat from notes taken on the ground or furnished by the party, and calculating contents, with certificate attached	1.50
Each additional plat laid down from field notes, or from official documents with notes of explanation	.25
Each copy of such connected plat	.50
Processioning land, per day	3.00
Each connected plat thereof	.50
Each day's attendance on viewers of a road or passway	3.00
Each connected plat of same, metes and bounds, courses and distances, with explanatory notes and report	1.00
Each plat recorded pursuant to KRS 73.120, to be paid by the party interested	1.00
Each extra share, or tract connected with or represented thereon	.50
Plat and certificate of such record	1.00

The surveyor may refuse to deliver to any party or file in court any plat or report of survey until his fees and costs for making it have been paid.

Sec. 3. Section 64.330 of the Kentucky Revised Statutes is amended to read as follows:

(1) Chain-carriers and markers shall be paid by the person causing the survey to be made, eighty cents per hour. If the survey is made under an order of court their services and the fees to which they are entitled shall be reported by the surveyor in making his report.

(2) Viewers of a road shall be paid, by the applicant, eighty cents per hour.

(3) Processioners shall be paid, by the employe, eighty cents per hour.

By Mr. Morgan.

H. B. No. 197. AN ACT providing that certain types of employment shall not constitute "covered employment" under the Unemployment Compensation Act.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Unless the employing unit thereof, as defined in KRS 341.060, has elected that such services become covered employment under the provisions of subsection (3) of KRS 341.250, "covered employment", as used in KRS Chapter 341, does not include service performed in the employ of any perpetual care, nonprofit cemetery association, corporation or trusteeship, which perpetual care, nonprofit cemetery association, corporation or its trustees, has not more than eight employes, and no part of the net earnings of which inures to the benefit of any private shareholder or individual and no substantial part of the activties of which is carrying on propaganda, or otherwise attempting to influence legislation.

H. B. No. 198. AN ACT relating to implied warranties concerning the soundness or condition or suitability for use of certain articles of food or drink, and the service of process in actions based upon such warranties.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No owner, operator or keeper of a retail grocery store or food or meat market shall be held to have impliedly warranted the soundness or condition or suitability for use of any article of food or drink for man or domestic animal which is sold by said owner, operator or keeper in the original container, can, box, bottle or other type of container in which it was received by said retailer from a manufacturer, processor or whole-

saler and which original container is of such sort and so sealed, stoppered, fastened or inclosed as to make it impracticable to be opened for examination of the contents thereof by the retailer. None of the provisions of KRS 361.150 shall be construed to create an implied warranty in any such case, it being the intention of the General Assembly that KRS 361.150 shall not apply in any such case.

Sec. 2. Any broker or manufacturer's representative handling articles of food or drink shall be held to have impliedly warranted the soundness or condition or suitability for use of any article of food or drink for man or domestic animal which is sold or distributed by said broker or manufacturer's representative in the original container, can, box, bottle or other type of container in which it was delivered from the manufacturer or processor and which original container is of such sort and so sealed, stoppered, fastened or inclosed as to make it impracticable to be opened by the retailer for examination of the contents. The manufacturer or processor of such articles shall likewise be held to have impliedly warranted the soundness or condition or suitability for use of any such articles. In any action based upon such an implied warranty, against a manufacturer or processor, service of process may be made upon any broker or manufacturer's representative who represents such manufacturer or processor in this state.

H. B. No. 199. AN ACT providing for flood control districts, as political subdivisions of the Commonwealth of Kentucky, to maintain and operate flood control works.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. *Definitions.* As used in this Act, unless the context otherwise requires:

(a) "Commissioner" shall mean the Commissioner of Conservation of the Commonwealth of Kentucky.

(b) "Flood control works" shall mean and include all land, pumping equipment, buildings, motor vehicles, mowing machines, or any other fixtures, tools or equipment a part of or used in connection with a flood wall or other construction designed to protect an area from being flooded.

(c) "District" shall mean a flood control district organized and created under the terms of this Act.

(d) "Board" or "directors" shall mean the board of directors of a flood control district organized and created under the terms of this Act.

(e) "Director" shall mean a person appointed as a member of the board of directors as provided in this Act.

(f) "Person" shall mean any person, firm, copartnership, association or corporation other than a public corporation.

(g) "Public corporation" shall mean any county, city, school district, water district or drainage district, and any other governmental agency or political subdivision clothed with the power of levying general or special taxes or issuing bonds payable from special funds.

(h) "Land" or "property" shall mean real property.

Section 2. The Commissioner of Conservation of the Commonwealth of Kentucky, in addition to his other duties and powers, is invested with jurisdiction, power and authority to establish flood control districts in accordance with the provisions of this Act.

Section 3. A flood control district may be established for the purpose of maintaining and operating any flood control works heretofore or hereafter constructed in any city or county of the state. The boundaries of such a flood control district shall be the floodwall or levee and the contour line on the land back of the floodwall or levee of the same elevation as the elevation of the top of the floodwall or levee.

Section 4. (1) Before the Commissioner of Conservation shall establish a flood control district, a petition shall be filed with the commissioner, signed by seventy percent of those in

possession claiming as freeholders within the boundaries of the proposed flood control district.

(2) In determining when seventy percent of the landowners have signed the petition the commissioner shall be bound by the names as they appear upon the county tax duplicate, which for all purposes of this Act shall be prima facie evidence of such ownership. The commissioner shall further require evidence to determine the fact that all signatures on the petition are genuine, and a notification by ordinary mail sent to the respective addresses shown on the petition shall establish the genuineness of a signature if the petitioner so notified fails to report in writing within ten days that he did not sign the petition. When authorized by ordinance, such a petition may be signed by a majority of the governing body of any municipality lying wholly or partly within the proposed district. When so signed by a majority of such governing body the petition shall fill all requirements of representation on the part of the freeholders of the municipality as they appear upon the assessment roll of the municipality, and individuals within the municipality shall not sign the petition.

Section 5. The petition shall contain:

(1) The proposed name of the district, which shall be "Flood Control District No. _____ of _____County, (or counties), Kentucky."

(2) The necessity for maintaining and operating any flood control works of the District and that such maintenance and operation will be conducive to the public health, safety, comfort, convenience or welfare.

(3) A general description of the flood control works to be maintained and operated and of the territory to be included in the proposed district. The description need not be given by metes and bounds or by legal subdivision, but it shall be sufficient if a reasonably accurate description is given of the territory to be organized as a district by showing the boundaries of such district on a map or by other means. The territory may include one or more political subdivisions or portions thereof, and, except as provided in this Act, shall not be included wholly within the limits of a single municipality. The territory need not be contiguous if it is so situated that the public health,

safety, comfort, convenience or welfare will be promoted by its organization as a single district.

(4) A prayer for the organization of the district.

Section 6. No petition with the requisite number of valid signatures shall be declared void on account of alleged defects, but the commissioner may at any time permit the petition to be amended in form and substance to conform to the facts, by correcting any errors in the description of the territory or in any other particular, but shall not add or deduct area except as provided in Section 8 hereof. Several similar petitions or duplicate copies of the same petition for the organization of the same district may be filed and shall together be regarded as one petition. All such petitions filed shall be considered the same as though filed with the first petition placed on file.

Section 7. At the time of filing the petition, or at any time subsequent thereto and prior to the time of the giving of notice by the commissioner, as hereinafter provided, the petitioners shall either file bond with the commissioner with security approved by him, or deposit cash or securities with him in an amount sufficient to pay the costs in the proceedings thereafter involved. If the commissioner at any time during the proceedings is not satisfied that the bond or deposit is sufficient or that the surety on the bond is safe, he may require the execution of an additional bond or the giving of additional surety or an additional deposit within a time to be fixed not less than ten days thereafter, and upon the failure of the petitioners to comply, the commissioner may refuse to proceed further and may refuse to organize the district.

Section 8. (1) When the petition is filed with the commissioner, he shall investigate at once the boundary of the district proposed to be organized, and may, at the cost of the petioners, cause to be made surveys necessary to establish with reasonable accuracy a boundary that will, in his judgment, accomplish the purpose sought by the creation of the district in a practicable and workable manner, and that will be sufficiently comprehensive to avoid confusion or interference with any other similar district then existing or that may be created. The boundary established by the commissioner need not follow the boun-

dary proposed by the petitioners, but if the boundary established by the commissioner results in a material change from that proposed in the original petition the petitioners shall secure, in case of a larger or smaller area, the signatures of seventy per cent of the free-holders or owners in the area as established by the commissioner.

(2) Should it be found desirable to include in a flood control district all or a portion of a city of the first, second or third class, the governing body of such city shall determine by ordinance whether the city or portion thereof shall be included in the district, or whether the city shall bind itself to pay the taxes levied for the benefits of the district in such area.

Section 9. When seventy percent of those qualified within the boundary fixed by the commissioner are found to have petitioned for the establishment of a flood control district, and the commissioner has established the boundaries thereof, the commissioner shall give notice of the application for the creation of the district, by posting the notice in at least ten places in the area proposed to be organized into a district, or by publishing it in at least two consecutive, regular editions of a newspaper of general circulation in the proposed district.

Section 10. Any owner of real property in the proposed district who has not signed the original petition for the creation of the district and who wishes to object to the organization of the district shall, within sixty days after the giving of notice by the commissioner, file his petition in the circuit court of the county in which the larger part of the proposed district is located, naming the commissioner defendant and setting out in the petition his objections to the organization of the district. The commissioner shall be represented in the circuit court by the county attorney and in the Court of Appeals by the Attorney General and he also may require his defense to be made by the petitioners or some of them. The issues may be made up and the case may be docketed for hearing as in an action for a declaration of rights, and an appeal may be taken and judgment shall become final as provided for in such procedure. The burden of proof shall be upon the plaintiff to show cause why the district

should not be organized. If the court renders judgment against the commissioner, the judgment shall point out the changes required for the establishment of a district, which, if met by the commissioner, shall authorize the creation of the district. If the changes are not met by the commissioner, the proposed district shall not be organized unless new proceedings are instituted for the creation of a district, but such new proceedings shall not be instituted for a period of six months after the date of judgment. If the court gives judgment against the plaintiff, the commissioner shall organize the district. An appeal taken as authorized in this section shall suspend the judgment until the case has been passed upon by the Court of Appeals and final judgment rendered. Either the plaintiff or the commissioner may appeal from the judgment of the circuit court to the Court of Appeals, but the commissioner shall not be required to make any appeal bond. Except as otherwise provided in this section, the pleadings and practices shall be the same as in other suits in equity.

Section 11. If no suit is filed against the commissioner under Section 10 of this Act, or if suit is filed and final judgment in the circuit court or on appeal is in favor of the commissioner, the commissioner shall forthwith declare the district organized into a flood control district and give it a corporate name as provided in Section 5 hereof, by which in all proceedings it shall thereafter be known. The commissioner shall certify his act to the county court clerk of each county in which any part of the district is located, and to the Secretary of State, each of whom shall record the certificate as articles of incorporation. The commissioner shall also certify his act to the county judge of each county in which any part of the district is located. The district shall then be a political subdivision and shall have perpetual existence, with power to sue and be sued, contract and be contracted with, incur liabilities and obligations, exercise the right of eminent domain, assess, tax, issue bonds, and do and perform all acts herein expressly authorized and all acts necessary and proper for the carrying out of the purpose for which the district was created, and for executing the powers with which it is invested.

Section 12. The certificate establishing the district shall be

deemed final and binding upon the real property in the district, and shall finally and conclusively establish the regular organization of the district against all persons except the state upon suit commenced by the Attorney-General. The organization of the district shall not be directly or collaterally questioned in any action except as herein expressly authorized.

Section 13. The commissioner shall designate in the certificate the place where the office of the district shall be located, which shall be within the corporate limits of the district if practicable. The place may be changed by the board of directors of the district from time to time, by the certification of the change to the county court clerk of each county in which the district is located and the notation thereof on the records of the clerk. The records of the district shall have "Flood Control District Records" printed, stamped or written thereon. They shall be kept at the office and shall be open to inspection as are the records of the fiscal court.

Section 14. Within thirty days after the commissioner certifies to the county clerk of each county in which the district is located that the district is incorporated, there shall be appointed a board of directors for the district, consisting of five members, which shall control and manage the affairs of the district. If all or part of a first, second or third class city lies within the district the mayor of such city shall appoint three members of the board of directors, and the county judge shall appoint two members, or if the District lies within two counties each county judge shall appoint one member, or if the district lies within more than two counties the county judge of each of two of the counties, in rotation as determined by lot, shall appoint one member. If all or part of two cities of the first, second or third class lies within the district the mayor of each city shall each appoint two members of the board of directors, and the fifth member shall be appointed by the county judge of the county in which the major portion of the district lies. If all or part of more than two cities of the first, second or third class lies within the district the mayor of each city shall appoint one member of the board and one additional member shall be appointed by each mayor of the city or cities containing most of the district to make the full number of five directors. If no first, second, or third

class city or part thereof, lies within the district, the county judge shall appoint all five members, or if the district lies in two counties, the county judge of the county in which the major portion of the district is located shall appoint three members and the county judge of the other county shall appoint two members, or if the district lies in more than two counties the county judge of each county shall appoint one member and one additional member shall be appointed by each county judge of the county or counties containing most of the district to make the full number of five directors. No director shall in any way be associated or connected with the ownership, operation or control of any privately owned public utility operating within the district. Two of the members of the first board of directors shall hold their offices for one year, and the others shall hold their offices for two, three and four years, respectively, from the dates of their appointments, the length of the term of office of each member to be determined by lot at their first meeting. After the expiration of the respective terms of office of the members of the first board of directors, each director shall be appointed and shall serve for a period of four years and until his successor has been appointed and has qualified. Vacancies resulting from any cause other than expiration of a term of office shall be filled only for the unexpired term and until a successor has been appointed and has qualified. The directors shall at all times be residents and real estate owners within the district, and the office of any director who moves his residence outside the district or who ceases to be a real estate owner within the district shall automatically be vacated.

Section 15. (1) Each director, before entering upon his official duties, shall take and subscribe to an oath that he will honestly, faithfully and impartially perform the duties of his office, and that he will not be interested in any contract let for the purpose of carrying out any of the provisions of this Act. The oath shall be filed with the clerk of the county court of the county represented by the director or of the county in which is located the city represented by the director.

(2) Each director shall give a good and sufficient bond, to be approved by the officer appointing him, for the faithful and

honest performance of his duties and as security for all moneys coming into his hands or under his control. The cost of the bond shall be paid by the district.

Section 16. A majority of the directors shall constitute a quorum and concurrence of the majority in any matter within the duties of the board shall be sufficient for its determination. All actions taken by the directors shall be by resolution, and in each instance the name and vote of each director shall be recorded in the minutes.

Section 17. (1) The board of directors shall, upon taking oath, elect one of their members as president of the board, and shall select some suitable person as secretary, who need not be a member of the board. The secretary shall serve as treasurer of the district, or the board may select a treasurer. The selection of the secretary and treasurer shall be evidenced on the minutes of the board, with their compensation. He or they shall serve at the pleasure of the board.

(2) The board shall adopt a seal, and shall keep in a well-bound book a record of all proceedings, minutes of meetings, certificates, contracts, bonds given by employes, and all corporate acts, which shall be open to the inspection of any owner of property in the district as well as all other interested persons.

(3) The board of directors shall be the governing body of the flood control district, and shall exercise all the powers and manage and control all of the affairs and property of the district.

(4) No compensation shall be paid to directors, but each director shall be reimbursed for expenses incurred in attending meetings or for expenses incurred in other activities authorized by the board of directors as necessary for carrying out the purposes of the flood control district.

(5) The board of directors may adopt all necessary rules and regulations for the proper management and conduct of the business of the board and of the corporation, and for carrying into effect the other objects for which the district was formed. The board of directors may also make and enforce rules and regulations pertaining to the use by persons of land or properties

connected with or a part of the flood control works. All such rules and regulations shall become effective on the date when a notice of their adoption appears in a newspaper of general circulation in the district; such notice shall not contain the rules and regulations in full but shall only summarize their contents and shall state where any interested person may examine the full texts of such rules and regulations.

(6) The board of directors may recover by civil action from any person or public corporation violating such rules and regulations a sum not less than one hundred dollars nor more than one thousand dollars together with costs. The board may enforce by mandamus or otherwise all necessary and authorized rules and regulations made by it, and may take summary action to remove any improper construction or to terminate any unauthorized practices in connection with flood control works. Any person or public corporation wilfully failing to comply with rules and regulations of the board shall be liable for damages caused by such failure and for the cost of renewing or replacing any of the flood control works damaged or destroyed.

(7) The board of directors shall have an annual audit made by a certified public accountant, copies of which shall be filed with the Secretary of State and with the county judge of the county or counties in which the flood control district is located.

Section 18. The secretary shall be the custodian of the seal, minutes and records of the district, and shall assist the board of directors in such particulars as the board directs in the performance of its duties. The secretary shall attest, under the seal of the district, such records as are required of him by the provisions of this Act, or by any person ordering the same, and shall receive for such transcription the same compensation allowed county clerks for copying records. Any portion of the record so certified and attested shall prima facie import verity.

Section 19. The treasurer shall keep an accurate account of all money received or disbursed by the district, make periodic accountings and reports thereof as directed by the board of directors, make regular semiannual accountings, assist any auditors employed by the board to check the financial records of

the district, sign all checks or vouchers of the district, deposit all funds received in any bank selected by the board, and perform all other functions as chief financial officer of the district as directed by the board. No check or voucher shall be valid until countersigned by the president of the board. The treasurer shall give a good and sufficient bond to the board for the faithful and honest performance of his duties and as security for all money coming into his hands or under his control. The cost of the bond shall be paid by the district.

Section 20. The board of directors may employ an attorney and a chief engineer for the district, who shall hold office at the pleasure of the board and who shall give such bond as is required by the board. The board may employ such other engineers, attorneys, agents and assistants as may be needed, and may prescribe the duties and fix the compensation of all the employes of the district. The board may maintain, furnish and equip an office or offices, and purchase such office supplies, equipment, apparatus, appliances, instruments and tools as are necessary, which, with all other necessary expenditures shall be taken as a part of the cost of maintaining and operating the flood control works. The employment of the engineer, attorney and other personnel for the district shall be evidenced on the minutes of the board, with their compensation, and their term of employment shall be at the pleasure of the board.

Section 21. All contracts for work, material or supplies that may exceed five hundred dollars shall be advertised for bids, not less than seven days before bids are to be received, by notice published once a week for two consecutive weeks (publication being complete on date of last publication) in at least one newspaper of general circulation within the district where the work is to be done or the materials or supplies used. The contract shall be let to the lowest and best bidder who shall give bond with approved and ample surety for the faithful performance of the contract. The notice shall specify the general nature of the bid sought, the time and date bids are to be received, and where and how more specific information can be obtained. The contract shall be in writing, in duplicate, and shall be accompanied by or refer to plans and specifications for

the work to be done, prepared by the chief engineer. The plans and specifications shall be made and considered a part of the contract. The contract shall be adopted by the board and signed by its president and by the contractor, and shall become a part of the records of the district.

Section 22. The board of directors may establish and maintain stream gages and rain gages, and make such surveys and examinations of rainfall, stream flow and other scientific and engineering subjects as are necessary and proper for the purpose of the district. The board may issue reports of its findings.

Section 23. The board of directors, as soon as duly appointed and qualified, may levy an annual tax of not more than fifteen cents upon each one hundred dollars of assessed valuation of property within the district. This tax shall be certified to the county clerks of the various counties and by them to the respective treasurers of their counties. The tax shall be based upon the last preceding assessment for state and county purposes, its collection shall conform to the collection of taxes for counties, and it shall constitute a lien against the property subordinate only to state, county and city ad valorem taxes, and the same provisions concerning the collection of delinquent taxes for counties shall apply. The tax shall be added by the county clerk, as a separate item, to the next state and county tax bill following the levy of the tax by the board of directors, and shall be collected concurrently with the state and county taxes. Neither the county tax commissioner nor the county court clerk shall be entitled to any additional compensation for services rendered in connection with the listing of property for taxation nor shall the sheriff receive any additional compensation for the collection of the tax.

Section 24. The board of directors shall, by resolution, set aside from its annual tax revenue a proper and adequate amount to be deposited into a depreciation fund, which fund shall be used solely for replacing capital equipment, new construction, extensions or additions to the flood control works. The remainder of its annual tax revenue shall be deposited into an operation and maintenance fund to be used solely for operating

and maintenance expenses in connection with the flood control works. Money accumulated in the depreciation fund may be invested by the board of directors in the manner authorized by statute for other trust funds and the income from such investments shall be deposited into the depreciation fund.

By Messrs. Webb, Combs, Britton, Stovall, Hollan, Taylor, Durham W. Howard, Polsgrove, Shaw, Lambert, Barkley Jones, Hale, Smith, Harris, Saylor, Hayes, Estepp, Hubbard, Drury, Warns, Spalding, Head, Stigall, Henry, Marshall, Moore, Searcy, Bill Adams, Archie R. Moore, Weintraub, Wirsch, Martin, Lawrence, Snapp, Mackey, Morgan, Deering, William Jones, Duncan, M. G. Howard, Mitchell, Palmore, Burnley, Bailey, Walter, McPherron, Bean, Majors, Fannin, Steers, Buckman, Head, Horn, Bridgers, Arnett, Carter, Helm, Houpt, Crider, Barnum, Waterfield, Bradley, Stringer, Reasor, Shelton, Tinsley, Beatty, Shannon, Sheehan, and Ruh.

H. B. No. 200. AN ACT relating to payment of expense allowances to the members of the General Assembly and the Lieutenant-Governor of the Commonwealth of Kentucky, and declaring an emergency to exist.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Each member of the General Assembly and the Lieutenant-Governor of the State shall be paid out of the State Treasury, each month, the sum of $100.00, which sum is hereby declared to be the equivalent of the minimum sum that each member of the General Assembly and the Lieutenant-Governor will expend each month, in performance of his official duties, for postage, telephone service, supplies, stationery, stenographic assistance, books and periodicals. The Commissioner of Finance shall, on the first of each month, draw his warrant on the Treasurer in favor of each member of the General Assembly and the Lieutenant-Governor, for the sum above stated, and the same shall be paid out of the General Fund. The sums so received shall be expended by each member of the General Assembly and the Lieutenant-Governor in his discretion, the manner in which

the same shall be applied in payment or reimbursement of such expenses being determined by the members of the General Assembly and the Lieutenant-Governor.

Sec. 2. Whereas, present economic conditions are such as to impose an unconscionable burden upon the General Assembly and the Lieutenant-Governor of the Commonwealth, and to create a threat to the expeditious administration of the members of the General Assembly and the Lieutenant-Governor for the performance of duties to their constituents, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Ordered that said bills be printed and referred.

SENATE MESSAGE

A message was received from the Senate announcing that they had adopted a resolution which originated in this House of the following title, viz:

H. Res. No. 19. A JOINT RESOLUTION providing for an investigation, study and survey, by the Legislative Research Commission, of school text book selections, including the methods, practices and procedures followed in this state and in other states; and providing for a report.

The message which was received from the Senate also announced that they had passed bills which originated in that body of the following titles, viz:

S. B. No. 50. AN ACT relating to meetings of the legislative bodies of cities of the fourth class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Upon attending a regularly scheduled or called meeting of the legislative body of a city of the fourth class and finding a quorum not present, the mayor or any other member of the legislative body of such a city may issue a warrant or warrants directing any peace officer to, and the officer shall, arrest and deliver forthwith to the designated meeting place any absent member or members of the legislative body.

Sec. 2. Whereas, in order to prevent disruption of and interference with the orderly administration of government in cities of the fourth class it is essential that provision be made immediately for enforcement of attendance at the meetings of the legislative bodies of such cities, an emergency is declared to exist and this Act shall become effective upon its passage and approval by the Governor.

S. B. No. 3. AN ACT to amend chapter 324 of Kentucky Revised Statutes relating to real estate brokers and salesmen by adding thereto provisions regulating the qualifications of and examinations for applicants of licenses of real estate brokers and salesmen.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

§ 1. That Chapter 324 of Kentucky Revised Statutes entitled "Real Estate Brokers and Salesmen" be and is hereby amended by adding the following new Sections 324.041 and 324.042:

§ 2. Section 324.041. *Qualifications.* Licenses shall be granted only to persons who are trustworthy and competent to transact the business of the real estate broker or salesman in such manner as to safeguard the interests of the public, and only after satisfactory proof has been presented to the Commission.

§ 3. Section 324.042. *Written Examinations.* In addition to proof of honesty, truthfulness and good reputation of any applicant for a license, each applicant must pass a written examination conducted by said Commission, or its authorized representative, which examination shall be of scope and wording sufficient in the judgment of the Commission to establish the competency and trustworthiness of the applicant to act as a real estate broker or salesman in such manner as to protect the interests of the public. Provided, however, no examination shall be required for the renewal of any present or future license unless

such license has been revoked, suspended, or is allowed to expire without renewal. The Commission shall hold examinations at such times and places as it may determine and an examination fee of $10.00 shall be collected from each applicant to defray the expenses of holding such examination. This act is to apply only to cities of the First, Second and Third Classes.

S. B. No. 38. AN ACT relating to levy upon and sale of real property for taxes in cities of the second class, amending Section 92.670 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 92.670 of the Kentucky Revised Statutes is amended to read as follows:

On the second Monday in December of each year, or as soon thereafter as practicable, the treasurer of each city of the second class shall sell a sufficient amount of real property, whether encumbered or not, of each delinquent taxapayer to satisfy all unpaid taxes of the delinquent with interest and penalties thereon, and to pay two dollars for the cost of advertisement and sale. The sale shall be made to the highest and best bidder for cash at public auction, at or about noon, at the main entrance of the city building. One or more parcels of real property may be sold for all of the taxes owed by the delinquent, whether for taxes on the property sold or for taxes on other real or personal property. When a parcel of real property is offered for sale, the treasurer shall inquire whether any one will buy an interest therein less than the whole thereof, and pay the taxes, interest, penalty and costs thereon, and he shall sell only so much therof or such an interest therein as will produce the amount required to be realized. If no one will take less than the whole of the property and pay the taxes, interest, penalties and costs, the treasurer shall sell the whole of the property. If no one bids an amount equal to the taxes, interest, penalties, and costs, the treasurer shall purchase the property for that amount. If one or more persons own a life estate or other particular estate in the property sold with remainder over to others, the treasurer shall

first offer the particular estate for sale, and if no one will bid enough therefor to pay the taxes, interest, penalties and costs, he shall then sell the whole property. Except as otherwise provided in this section, the sale shall be made in the same manner that real property if sold by sheriffs under execution, but no levy or appraisal shall be necessary. If any person purchases property at the sale, and then fails to pay for it, the treasurer shall immediately resell the property. Real property sold for delinquent taxes may be resold, in like manner, for taxes for succeeding years. If, for any reason, real property is not sold at the time fixed in this section, it may be advertised and sold at any time thereafter in the manner provided in this section. Before making any sale, the treasurer shall cause three notices thereof to be published in the official newspaper of the city during the two weeks just preceding the day of sale, showing the time, place and terms of the sale, the names of the delinquent taxpayers, the numbers of the tax bills, the total amount of taxes, interest, penalties and costs due on each bill, and a brief description of the property to be sold, by lot and block numbers as shown on the city maps or by other descriptions sufficiently accurate to identify each parcel. Within thirty days after the sale the treasurer shall cause to be delivered to each delinquent whose real property has been sold, or to his guardian or committee, a written notice of the sale, the time within which the property can be redeemed and the amount required to redeem it. If the delinquent is a non-resident the notice shall be served by delivering it to his agent or attorney, and if he has no agent or attorney in the state then it shall be served by posting it in a conspicuous place upon the property, and by posting a copy of same at the court house door in the county wherein the land is situated. If notice is not served within thirty days, it may be served as soon thereafter as practicable, but if the notice is not given six months before the expiration of the period of redemption that period shall be extended until six months after the service of the notice. Failure to give notice shall not defer the purchaser's right to possession as provided in subsection (1) of KRS 92.760. The notice may be executed by any police officer of the city or by any other person authorized by law to serve a notice. Any purchaser of property sold for taxes may cause the notice to be given with the same effect as if given by the treas-

urer. In either case the notice, with the officer's written return thereon showing the time and manner of service, shall be returned to the treasurer's office and recorded in a book provided for that purpose and preserved in that office. No deed shall be executed to a purchaser when notice has not been given as required. All money received by the treasurer for property sold for taxes, including money collected for costs, shall be promptly accounted for and paid over by the treasurer in the same manner as taxes collected without sale.

Ordered that said bills be printed and referred.

The message which was received from the Senate also announced that they had adopted a resolution which originated in that body as follows, viz:

S. Res. No. 19. A RESOLUTION memorializing the 50th Anniversary of the date of the untimely, cowardly assassination of William Goebel, elected Governor of Kentucky.

Be it resolved by the Senate and the House of Representatives concurring therein:

That February 3, 1950 be and the same is hereby designated as Governor William Goebel day, he having been cruelly shot in front of the Old Capitol Building as he carried out his duties of Governor of this Commonwealth.

BE IT FURTHER RESOLVED, that the members of the General Assembly pay tribute to this Great Commoner and the Protector of the Common People by recessing to a joint session to be held around the monument to Governor William Goebel, standing in front of our beautiful Capitol Building.

BE IT FURTHER RESOLVED, that a memorial wreath be placed on the statue.

BE IT FURTHER RESOLVED, that Governor Earl Clements deliver the address to the joint meeting of the General Assembly and that the public be invited thereto.

BE IT FURTHER RESOLVED, that at the conclusion of said meeting the taps be played by a member of the National Guard to be designated by the Adjutant General of the State

of Kentucky and that the Military Salute for such an occasion be arranged by the Adjutant General of the State of Kentucky.

The memorial wreath will not be at the expense of the Commonwealth of Kentucky since his friends of Northern Kentucky desire to present it.

Mr. Polsgrove moved that the rules be suspended for the purpose of offering resolutions.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Polsgrove offered the following resolutions, viz:

H. Res. No. 24. A RESOLUTION declaring this night, January 31, 1950, to be "Elks" night in the General Assembly of the Commonwealth of Kentucky.

WHEREAS, the Benevolent and Protective Order of Elks is one of the greatest charitable institutions in Kentucky and in America; and

WHEREAS, it organized the first tuberculosis mobile units in Kentucky for the purpose of X-raying, examining, detecting and preventive treating of tuberculosis and cancer; and

WHEREAS, it is an organization which contributes liberally to the Red Cross, Cancer Fund and many other charitable and worthy causes; and

WHEREAS, Louisville Lodge No. 8 of the Benevolent and Protective Order of Elks has honored this House of Representatives and Senate with a good and sizeable representation of their lodge this evening;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That this night, January 31, 1950, be and the same hereby is designated as "Elks Night" in the General Assembly of the Commonwealth of Kentucky.

Said resolution was adopted.

H. Res. No. 25.

Be it resolved by the General Assembly of Kentucky:

WHEREAS, Emerson "Doc" Beauchamp, Commissioner of Rural Roads, has done and is doing a masterful and effective job at getting Kentucky's farmers out of the mud, and

WHEREAS, revenue from the two-cent increase of the state tax on gasoline is accruing in tremendous sums, and,

WHEREAS, the frost, rain and snow of winter is now customarily impeding the great effort to get Kentucky's farmers out of the mud, and

WHEREAS, the United States Navy is enduring great embarrassment due to a navigational accident at Norfolk, and,

WHEREAS, our potential enemies are drooling over the Navy's plight,

NOW, BE IT RESOLVED that the General Assembly of Kentucky hereby directs and commands Emerson "Doc" Beauchamp to provide the Navy with advice to aid its effort in getting the battleship, U.S.S. Missouri, out of the mud.

Said resolution was adopted.

REPORT OF COMMITTEE

Mr. Polsgrove of the Committee on Courts, to which the same had previously been referred reported a bill of the following title, viz:

H. B. No. 37. AN ACT repealing subsection 24 of Section 95.050 of the Kentucky Revised Statutes.

With the expression of opinion that same should pass.

Whereupon, said bill was read at length for the first time and Ordered placed in the Calendar.

CALENDAR

The House took up for consideration from the Calendar a resolution and bill of the following titles, viz:

H. Res. No. 12. A JOINT RESOLUTION providing for the purchase and distribution of "The Legislative Digest," and declaring an emergency.

S. B. No. 14. AN ACT classifying the City of Bowling Green, Warren County, Kentucky, as a city of the Second Class.

Ordered that said resolution and said bill be read at length the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said resolution and said bill be dispensed with, and same be read for the second time by their titles only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constiutional provision as to the second reading at length of said resolution and said bill having been dispensed with, said resolution and said bill were read at length by their title only and

Ordered placed in the Orders of the Day.

ORDERS OF THE DAY

The House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 44. AN ACT relating to elections.

Mr. Hilton moved that said bill be laid on the Clerk's desk.

Said motion was agreed to.

The House took up for consideration from the Orders of the Day a bill of the following title, viz:

S. B. No. 21. AN ACT relating to advancements to sheriffs for expenses in counties containing a population of 75,000 or over; amending Section 64.140 of the Kentucky Revised Statutes; and declaring an emergency to exist.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 64.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) In counties containing a population of 75,000 or over, the sheriff may be entitled to receive an advancement to defray

necessary official expenses and to apply to the payment of the salaries of himself and his deputies and assistants. The Commissioner of Finance shall, on the first day of each calendar month, determine the necessary amount that may be advanced to the sheriff, which amount shall not exceed one-twelfth of the total fees collected by the sheriff for the preceding year and may be for a less amount, and in no event shall it exceed $30,000 per month. When approved by the Commissioner of Finance, a warrant shall be drawn on the State Treasury in favor of the sheriff for such advancement. At the end of each calendar year the sum of such advancements shall be deducted from the part of the total of fees and commissions paid into the State Treasury by the sheriff, pursuant to Section 106 of the Constitution, that is available for use for the payment of the salaries of the sheriff, his deputies and assistants, and his necessary office expenses.

(2) If the office of sheriff becomes vacant, the sums advanced under this section shall be charged against that part of the fees and the commissions of the office of the sheriff that have been, or shall be, paid into the State Treasury during the calendar year in which the advancements were made, and that is available for payment of the salaries of the sheriff, his deputies and assistants, and necessary expenses of his office.

(3) If the total of fees and commissions paid into the State Treasury by the sheriff for any calendar year is insufficient to match the amount of advancements made to him, he and his sureties shall be liable to the state for any excess of advancements over the total of fees and commissions paid into the State Treasury.

Sec. 2. WHEREAS, by reason of consolidation of the offices of sheriff and jailer in Jefferson County the present advancements for expenses are not sufficient to enable satisfactory and efficient operation of the combined offices, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

Mr. Baer moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Baer moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John A. Head	Dr. C. E. Palmore
Bill Adams	Harold G. Helm	James H. Polsgrove
Edgar Arnett	William K. Henry	Leonard W. Preston
Sidney Baer	E. R. Hilton	Hobart Rayburn
Walter J. Bailey	Ray Holbrook	W. R. Reasor
Clarence J. Barnum	Woodrow W. Hollan	Carl J. Ruh
C. E. Baumgardner	Chester J. Holsclaw	LeRoy Saylor
Leonard T. Bean	W. M. Horn, Jr.	Roy Searcy
John D. Beatty	Richard R. Houpt	Paul E. Shannon
Fred Beshear	Silas Jacobs	Gus Sheehan, Jr.
Edw. O. Bridgers	Paul S. Jonas	Jesse H. Shelton
Thos. L. Britton	Barkley Jones	Forest Smith
Charles J. Bronston	William Jones	Joseph T. Snapp
J. D. Buckman, Jr.	Jesse H. Lawrence	John M. Spalding
Alex Calvert	Mrs. J. T. Linton	J. Claude Stacy
Stanley Carter	Homer E. Losey	Roy Steers
Paul Combs	A. L. (Chick) Love	Raymond D. Stigall
Josh R. Cosby	Harry K. Lowman	Mrs. Thelma Stovall
B. H. Crider	True Mackey	W. R. Stringer
Owen Deering	Damon Majors	M. G. Thompson
G. I. Drury	John Martin	Rev. T. Herbert Tinsley
Thomas R. Duncan	Wm. T. Marshall	
R. C. Estepp, Sr.	Jack McPherron	Ralph N. Walter
Mitchell S. Fannin	Alton Mitchell	Fred M. Warns
Henry C. Hale	Emmett G. Moore	Lyle H. Webb
C. A. Hammons	Walter R. Moorman	Geo. F. Williamson
James P. Hanratty	Fred H. Morgan	Charles W. Wirsch
George F. Harris	C. S. Nabb	
Paul E. Hayes		

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Resolved that the title thereof be as aforesaid.

Mr. Baer moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 23. AN ACT relating to the maintenance of streets or roads in subdivisions outside of the limits of cities in counties containing a city of the third class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In counties containing a city of the third class, any street or road located outside of the corporate limits of an incorporated city which is a street or road of a subdivisions established by a recorded plat that dedicates the street or road to public use, shall be maintained by the fiscal court of the county in the same manner that roads established under KRS 178.115 are maintained, if:

(1) The street or road is at least one thousand feet in length and at least fifty per cent of the lots abutting the street or road contain houses which are occupied; and

(2) The street or road has been or shall be so constructed as to meet the approval of the county road engineer or, if there is no county road engineer, the approval of the fiscal court, such approval being based upon the established standards for county road construction within the county.

Mr. Horn moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Horn moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams
Edgar Arnett
Sidney Baer
Walter J. Bailey
Clarence J. Barnum
C. E. Baumgardner
Leonard T. Bean
John D. Beatty
Fred Beshear
L. E. Bradley
Edw. O. Bridgers
Thos. L. Britton
Chas. J. Bronston
J. D. Buckman, Jr.
Alex Calvert
Stanley Carter
Paul Combs
Josh R. Cosby
B. H. Crider
Owen Deering
G. I. Drury
Thos. R. Duncan
R. C. Estepp, Sr.
Mitchell S. Fannin
Henry C. Hale
C. A. Hammons
James P. Hanratty
George F. Harris
Paul E. Hayes
John A. Head
Harold G. Helm
William K. Henry
E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
Richard R. Houpt
Robert N. Hubbard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
J. H. Lawrence
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
True Mackey
Damon Majors
John Martin
Jack McPherron
Alton Mitchell
Emmett G. Moore
Walter R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
James H. Polsgrove
Leonard W. Preston
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
LeRoy Saylor
Roy Searcy
Paul E. Shannon
Gus Sheehan, Jr.
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spaulding
J. Claude Stacy
Roy Steers
Mrs. Thelma Stovall
W. R. Stringer
M. G. Thompson
Rev. T. Herbert Tinsley
Ralph N. Walter
Fred M. Warns
Lyle H. Webb
Geo. F. Williamson
Chas. W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Horn moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 17. AN ACT relating to working hours for members of the police department of cities of the third class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In cities of the third class, the members of the police department, other than the chief of police, shall not be required to work more than eight hours per day for six days each week, except in the event of an emergency.

Mr. Horn moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Horn moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John A. Head	C. S. Nabb
Bill Adams	Harold G. Helm	Leonard W. Preston
Edgar Arnett	William K. Henry	Hobart Rayburn
Sidney Baer	E. R. Hilton	W. R. Reasor
Walter J. Bailey	Ray Holbrook	Carl J. Ruh
Clarence J. Barnum	Woodrow W. Hollan	LeRoy Saylor
C. E. Baumgardner	Chester J. Holsclaw	Roy Searcy
Leonard T. Bean	W. M. Horn, Jr.	Paul E. Shannon
Fred Beshear	Richard R. Houpt	Gus Sheehan, Jr.
L. E. Bradley	Robert N. Hubbard	Jesse H. Shelton
Edw. O. Bridgers	Silas Jacobs	Forest Smith
Thomas L. Britton	Paul S. Jonas	Joseph T. Snapp
Charles J. Bronston	Barkley Jones	John M. Spaulding
J. D. Buckman, Jr.	William Jones	Roy Steers
Alex Calvert	Jas. W. Lambert	Mrs. Thelma Stovall
Stanley Carter	Mrs. J. T. Linton	W. R. Stringer
Paul Combs	Homer E. Losey	M. G. Thompson
B. H. Crider	A. L. (Chick) Love	Rev. T. Herbert Tinsley
Owen Deering	True Mackey	
G. I. Drury	Damon Majors	Ralph N. Walter
Thomas R. Duncan	John Martin	Fred M. Warns
Mitchell S. Fannin	Wm. T. Marshall	Lyle H. Webb
Henry C. Hale	Jack McPherron	Geo. F. Williamson
C. A. Hammons	Emmett G. Moore	Charles W. Wirsch
George F. Harris	Walter R. Moorman	
Paul E. Hayes	Fred H. Morgan	—71

Those who voted in the negative were—

Josh R. Cosby	R. C. Estepp, Sr.	—2

Resolved that the title thereof be as aforesaid.

Mr. Horn moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Hubbard moved that the rules be suspended for the purpose of introducing a bill.

Said motion was agreed to by a majority of the members elected.

Whereupon, a bill of the following title was introduced, viz:

By Mr. Hubbard.

H. B. No. 201. AN ACT to constitute depository libraries and to provide that said libraries shall be supplied with copies of all reports, publications, and other public books and documents reproduced and distributed at public expense by the department, boards, commissions, officers or other agencies of the commonwealth.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. It shall be a public duty to collect, preserve, and make accessible to historians, teachers, students and others interested in public records, all those printed and mimeographed materials, as well as those materials reproduced in multiple copies by other processes, which are issued by any department, board, commission, officer or other agency of the Commonwealth for general public distribution at public expense after June 30, 1950, including, without limitation of the generality of the foregoing, bulletins, publications and other public books and documents reproduced and distributed at public expense, but not including the Kentucky Revised Statute editions.

Section 2. Inasmuch as the performance of said duty requires the establishment of a depository or depositories for the proper acquisition, administration and distribution of such materials, the State Department of Library and Archives is hereby constituted the central depository for public books and documents. College, university, and public libraries, located within Kentucky shall be constituted depository libraries by said central depository upon written request to the State Librarian.

Section 3. It shall be the duty of all departments, boards, commissions, officers and other agencies of the Commonwealth to supply promptly to said central depository seventy-five copies of each of their reports, bulletins, publications, and other public books and documents of the type mentioned in Section 1 of this Act. Two copies of each document shall be supplied by the central depository to Eastern Kentucky State College, Western Kentucky State College, Morehead State College, Murray State

College, and the Kentucky State College for Negroes upon written request by the librarians of each institution. Thirty copies shall be supplied to the University of Kentucky Library to exchange with out-of-state libraries and state agencies in order to maintain and increase its comprehensive collection of State documents. Such duty shall be exclusive of and in addition to any duties imposed by other provisions of law as to furnishing or delivering any such materials. It shall be the duty of the central depository promptly to supply each depository library one copy of all such material received and to replace any loss or miscarriage in the transportation of such material to the extent extra copies shall be available for such purpose. Such duty shall be exclusive of and in addition to the duty of any other agency to distribute certain books or documents under other provisions of law; provided, that the central depository need not make distribution, to a particular depository library, of such material as the latter shall be entitled to receive under other provisions of law.

Section 4. For the guidance of librarians of the depository libraries which shall be designated pursuant to this Act, it shall be the duty of the State Librarian to issue semi-annually, to each depository library located within Kentucky, two copies of a list of all materials of the kind mentioned in Section 1 of this Act. It shall be the duty of each department, board, commission, officer and other agency of the Commonwealth to furnish to the State Librarian semi-annually on January 1 and June 30 of each year a list of all of its materials of the kind mentioned in Section 1 of this Act.

Section 5. Wherever, under other provisions of law, a limitation may be imposed upon the number of copies of particular public books or documents to be printed or otherwise reproduced, such limitation shall be removed to the extent necessary to enable compliance with this Act.

Ordered that said bill be printed and referred.

The House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 53. AN ACT relating to reconsideration of marriages, amending subsection (12) of Section 402.990 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (12) of Section 402.990 of the Kentucky Revised Statutes is amended to read as follows:

Any county clerk who violates any of the provisions of KRS 402.110 or 402.230 shall be fined not less than twenty nor more than fifty dollars.

Mr. Hilton moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Hilton moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	L. E. Bradley	Thomas R. Duncan
Bill Adams	Edward O. Bridgers	R. C. Estepp, Sr.
Edgar Arnett	Thomas L. Britton	Mitchell S. Fannin
Sidney Baer	Charles J. Bronston	Henry C. Hale
Walter J. Bailey	J. D. Buckman, Jr.	C. A. Hammons
Clarence J. Barnum	Alex Calvert	George F. Harris
C. E. Baumgardner	Stanley Carter	Paul E. Hayes
Leonard T. Bean	Paul Combs	John A. Head
John D. Beatty	B. H. Crider	Harold G. Helm
Fred Beshear	Owen Deering	William K. Henry

E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
Richard R. Houpt
Robert N. Hubbard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
James W. Lambert
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
Harry K. Lowman
True Mackey
Damon Majors
John Martin
Wm. T. Marshall
Jack McPherron
Emmett G. Moore
Walter R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
Leonard W. Preston
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
LeRoy Saylor
Roy Searcy
Paul E. Shannon
Gus Sheehan, Jr.
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spaulding
Mrs. Thelma Stovall
W. R. Stringer
M. G. Thompson
Rev. T. Herbert Tinsley
Ralph N. Walter
Fred M. Warns
Lyle H. Webb
Morris Weintraub
Charles W. Wirsch
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Resolved that the title thereof be as aforesaid.

Mr. Hilton moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 55. AN ACT relating to the fee of court commissioners and receivers, amending Section 64.260 of the Kentucky Revised Statutes.

Mr. Smith moved that further consideration of said bill be deferred and same be allowed to retain its place in the Orders of the Day.

Said motion was agreed to.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 27. AN ACT relating to the compensation of grand and petit jurors in circuit courts, amending subsection (1) of Section 29.390 of the Kentucky Revised Statutes.

Mr. Jonas moved that further consideration of said bill be

deferred and same be allowed to retain its place in the Orders of the Day.

Said motion was agreed to.

The House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 22. AN ACT relating to the meetings of boards of commissioners in cities operated under the City Manager form of government, amending Section 89.550 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 89.550 of the Kentucky Revised Statutes is amended to read as follows:

The board of commissioners shall meet at least once a week for the transaction of business during the months of October, November, December, January, February and March, and shall meet at least twice a month during the months of April, May, June, July, August and September. It shall fix, by ordinance, the time of holding its regular meetings. A special meeting may be called by the mayor or by two commissioners. All meetings shall be public.

Mr. Morgan moved the Previous Question.

Whereupon, the Speaker announced, " Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Morgan moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third

reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	George F. Harris	C. S. Nabb
Bill Adams	Paul E. Hayes	Dr. C. E. Palmore
Edgar Arnett	John A. Head	Leonard W. Preston
Sidney Baer	Harold G. Helm	Hobart Rayburn
Walter J. Bailey	William K. Henry	W. R. Reasor
Clarence J. Barnum	E. R. Hilton	Carl J. Ruh
C. E. Baumgardner	Ray Holbrook	LeRoy Saylor
Leonard T. Bean	Woodrow W. Hollan	Roy Searcy
John D. Beatty	Chester J. Holsclaw	Paul E. Shannon
Fred Beshear	W. M. Horn, Jr.	Gus Sheehan, Jr.
L. E. Bradley	Richard R. Houpt	Jesse H. Shelton
Edward O. Bridgers	Silas Jacobs	Forest Smith
Thomas L. Britton	Paul S. Jonas	Joseph T. Snapp
Charles J. Bronston	Barkley Jones	John M. Spaulding
J. D. Buckman, Jr.	William Jones	J. Claude Stacy
Alex Calvert	Jas. W. Lambert	Roy Steers
Stanley Carter	Mrs. J. T. Linton	Mrs. Thelma Stovall
Paul Combs	Homer E. Losey	W. R. Stringer
Josh R. Cosby	Harry K. Lowman	M. G. Thompson
B. H. Crider	True Mackey	Ralph N. Walter
Owen Deering	Damon Majors	Fred M. Warns
G. I. Drury	Wm. T. Marshall	Lyle H. Webb
Thomas R. Duncan	Jack McPherron	Geo. F. Williamson
R. C. Estepp, Sr.	Alton Mitchell	Charles W. Wirsch
Mitchell S. Fannin	Emmett G. Moore	
Henry C. Hale	Walter R. Moorman	
C. A. Hammons	Fred H. Morgan	—78

Resolved that the title thereof be as aforesaid.

Mr. Morgan moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 58. AN ACT relating to the number of hours firemen of cities of the second class shall be required to be on duty and providing a vacation for such firemen, amending Section 95.500 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 95.500 of the Kentucky Revised Statutes is amended to read as follows:

(1) The chief of the fire department in cities of the second class shall be present at all fires and investigate their cause. He may examine witnesses, compel the production of testimony, administer oaths, make arrests, and enter any building for the purpose of examination, that, in his opinion, is in danger from fires. He shall report his proceedings to the city legislative body when required.

(2) The chief shall direct and control the operations of the members of the fire department in the discharge of their duties. He shall have access to and use all cisterns, fireplugs, the waters of the waterworks and the cisterns of private persons, for the purpose of extinguishing fires. He shall have the right to examine all cisterns, and all plugs and pipes of the waterworks, to see that they are in condition for use in case of fire. He shall have control of all buildings, hose, engines and other equipment provided for the fire department. He shall perform such other duties as the city legislative body shall, by ordinance prescribe.

(3) The fire department of each second class city shall be divided into two platoons. Each platoon shall be on duty twenty-four consecutive hours, except in cases of extraordinary emergency, and shall then remain off duty for twenty-four consecutive hours. Each individual member of the platoons in addition to receiving twenty-four hours off duty in each period of forty-eight hours, shall receive an additional period of twenty-four consecutive hours off duty in each period of seven calendar days. The chief of the fire department shall arrange the schedule of working days to comply with the provisions of this section. The

salary of the members of the fire department shall not be reduced by reason of the foregoing.

(4) In each city of the second class all employes of the fire department shall be given not less than two weeks leave of absence annually with full pay.

Mr. Shannon moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Shannon moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bill Adams	Charles J. Bronston	R. C. Estepp, Sr.
Sidney Baer	J. D. Buckman, Jr.	Mitchell S. Fannin
Walter J. Bailey	Alex Calvert	Henry C. Hale
Clarence J. Barnum	Stanley Carter	C. A. Hammons
C. E. Baumgardner	Paul Combs	James P. Hanratty
Leonard T. Bean	Josh R. Cosby	George F. Harris
John D. Beatty	B. H. Crider	Paul E. Hayes
Fred Beshear	Owen Deering	John A. Head
Edward O. Bridgers	G. I. Drury	Harold G. Helm
Thomas L. Britton	Thomas R. Duncan	William K. Henry

E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
Richard R. Houpt
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
Jas. W. Lambert
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
Harry K. Lowman
True Mackey
Damon Majors
Wm. T. Marshall
Jack McPherron
Alton Mitchell
Emmett G. Moore
Walter R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
James H. Polsgrove
Leonard W. Preston
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
LeRoy Saylor
Roy Searcy
Paul E. Shannon
Gus Sheehan, Jr.
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spaulding
J. Claude Stacy
Roy Steers
Mrs. Thelma Stovall
W. R. Stringer
M. G. Thompson
Rev. T. Herbert Tinsley
Ralph N. Walter
Fred M. Warns
Lyle H. Webb
Geo. F. Williamson
Charles W. Wirsch
—79

Resolved that the title thereof be as aforesaid.

Mr. Shannon moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The Speaker announced that he had referred bills and resolutions heretofore introduced as follows, viz:

H. B. No. 149—Committe on Kentucky Statutes No. 1
H. B. No. 150—Committee on Fish and Game
H. B. No. 151—Committee on Kentucky Statutes No. 1
H. B. No. 152—Committee on Veterans' Legislation
H. B. No. 153—Committee on Public Utilities No. 1
H. B. No. 154—Committee on Motor Transportation No. 1
H. B. No. 155—Committee on Public Utilities No. 1
H. B. No. 156—Committee on Insurance, Fire and Marine
H. B. No. 157—Committee on Roads and Highways
H. B. No. 158—Committee on Roads and Highways
H. B. No. 159—Committee on Ways and Means
H. B. No. 160—Committee on Revenue and Taxation No. 1

H. B. No. 161—Committee on Railroads
H. B. No. 162—Committee on Agriculture No. 1
H. B. No. 163—Committee on Revenue and Taxation No. 1
H. B. No. 164—Committee on Education No. 1
H. B. No. 165—Committee on Codes and Practice
H. B. No. 166—Committee on Kentucky Statutes No. 2
H. B. No. 167—Committee on Ways and Means
H. B. No. 168—Committee on Kentucky Statutes No. 1
H. B. No. 169—Committee on Kentucky Statutes No. 1
H. B. No. 170—Committee on Revenue and Taxation No. 1
H. B. No. 171—Committee on Motor Transportation No. 1
H. B. No. 172—Committee on Cities of Fourth Class
H. B. No. 173—Committee on Revenue and Taxation No. 1
H. B. No. 174—Committee on Appropriations
H. B. No. 175—Committee on Cities of Second Class
H. B. No. 176—Committee on Revenue and Taxation No. 1
H. B. No. 177—Committee on Cities of Second Class
H. B. No. 178—Committee on Education No. 1
H. B. No. 179—Committee on Motor Transportation No. 1
H. Res. No. 18—Committee on Ways and Means
H. Res. No. 21—Committee on Claims

Mr. Love moved that the rules be suspended and that the Honorable M. G. Thompson be requested to invite a quartet to entertain the members and guests of the House of Representatives on Monday, February 6, 1950.

Said motion was agreed to.

Mr. Hanratty moved that the House do now adjourn to meet against at 1 o'clock, p.m., Wednesday, February 1, 1950.

Said motion was agreed to.

And then the House adjourned.

WEDNESDAY, FEBRUARY 1, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Reverend Nicholas Schneiders, Chaplain at Marydale, Erlanger, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams
Bill Adams
Edgar Arnett
Sidney Baer
Walter J. Bailey
Leonard T. Bean
John D. Beatty
Fred Beshear
R. O. Blevins
L. E. Bradley
Edward O. Bridgers
Thomas L. Britton
Charles J. Bronston
J. D. Buckman, Jr.
Charles W. Burnley
Alex Calvert
Stanley Carter
Paul Combs
Josh R. Cosby
B. H. Crider
Owen Deering
G. I. Drury
Thomas R. Duncan
R. C. Estepp, Sr.
Mitchell S. Fannin
Henry C. Hale
C. A. Hammons
James P. Hanratty
George F. Harris
Paul E. Hayes
John A. Head
Harold G. Helm
William K. Henry
E. R. Hilton
Ray Holbrook
Woodrow W. Hollan
Chester J. Holsclaw
W. M. Horn, Jr.
Richard R. Houpt
Maurice G. Howard
Robert N. Hubbard
Silas Jacobs
Paul S. Jonas
Barkley Jones
William Jones
Jas. W. Lambert
Jesse H. Lawrence
Mrs. J. T. Linton
Homer E. Losey
A. L. (Chick) Love
Harry K. Lowman
True Mackey
Damon Majors
John Martin
Wm. T. Marshall
G. Lee McLain
Jack McPherron
Alton Mitchell
Archie R. Moore
Emmett G. Moore
Walter R. Moorman
Fred H. Morgan
C. S. Nabb
Dr. C. E. Palmore
James H. Polsgrove
Leonard W. Preston
Hobart Rayburn
W. R. Reasor
Carl J. Ruh
Amos Runyan
Dr. Roy Sanders
LeRoy Saylor
Roy Searcy
Paul E. Shannon
James S. Shaw
Gus Sheehan, Jr.
Jesse H. Shelton
Forest Smith
Joseph T. Snapp
John M. Spaulding
J. Claude Stacy
Roy Steers
Raymond D. Stigall
Mrs. Thelma Stovall
W. R. Stringer
M. G. Thompson
Rev. T. Herbert Tinsley
Ralph N. Walter
Fred M. Warns
Harry L. Waterfield
Lyle H. Webb
Morris Weintraub
G. F. Williamson
Charles W. Wirsch
Adron Doran, Speaker

Mr. Baer moved that leaves of absence be granted to Messrs. Barnum, Baumgardner, Durham W. Howard, Taylor and Mrs. Burnett.

Said motion was agreed to.

Mr. Harris moved that the reading of the Journal of the proceedings of Tuesday, January 31, 1950, be dispensed with, and the same be approved.

Said motion was agreed to.

Bills of the following titles were introduced, viz:

By Mr. Tinsley.

H. B. No. 202. AN ACT relating to the duties and functions of the deputy commissioner of welfare.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The deputy commissioner of welfare appointed pursuant to KRS 12.050, may, when a designation in writing to that effect has been filed with the Governor by the Commissioner of Welfare, exercise such powers and authority appertaining to the office of Commissioner as are specified in the written designation.

WHEREAS, doubt, confusion and uncertainty exists as to the duties, responsibilities and powers of the office of the deputy commissioner of welfare, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

H. B. No. 203. AN ACT changing the classification of the City of Walton, in Boone County, and declaring an emergency.

Said bill is as follows, viz:

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Walton,

in Boone County, is such as to justify its being assigned to the fifth class of cities,

NOW THEREFORE

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The City of Walton, in Boone County, is transferred from the sixth class to the fifth class of cities.

Sec. 2. Whereas, the reclassification of the City of Walton is necessary in order to enable the city to qualify for and receive Federal aid for hospital construction, and to enable the city to finance needed improvements of its streets and sewers, all of which are essential to the public health and welfare of the state, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

By Mr. Henry.

H. B. No. 204. AN ACT imposing a tax on the production of oil and natural gas and appropriating the revenue therefrom to the Common School Per Capita Fund.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. No person shall operate an oil or natural gas well in this state for the production of oil or natural gas for sale or exchange on a commercial basis unless he has obtained from the Department of Revenue a permit to engage in the business of producing oil or natural gas. At the time of the issuance of the permit he shall pay to the state, through the Department of Revenue, a tax of fifteen cents for each barrel of oil, and five cents for each thousand cubic feet of natural gas for which the permit is issued. The permit shall authorize the production of as many barrels of oil, or as many cubic feet of natural gas as is named in the permit, and upon such quantity being produced, such persons shall not further operate the well

until he has obtained additional quantities as he desires to produce and has paid the tax thereon.

SECTION 2. Oil shall be deemed to have been produced, for the purpose of this Act, when it leaves, in pipe lines, tank cars, drums, or other containers, the premises on which the well is located and the person so causing the oil to so leave the premises shall be deemed to be the producer. Natural gas shall be deemed to have been produced, for the purpose of this act, when it leaves, in pipelines, the premises on which the well is located, and the person who causes the natural gas to leave the premises in pipe lines shall be deemed to be the producer.

SECTION 3. The Department of Revenue shall have authority to promulgate such regulations as it may deem necessary for the enforcement of this Act, and shall have the power, through its agents and representatives, to inspect the books, records and premises of all persons operating oil and natural gas wells in this state.

SECTION 4. The revenue derived from the tax imposed by this Act hereby is appropriated to the Common School Per Capita Fund, for the payment and increase of the monthly salaries of teachers and for no other purpose; this appropriation to be in addition to any other appropriation made by any other Act to the Common School Per Capita Fund.

SECTION 5. Any person who violates any of the provisions of this Act shall be fined not less than Five Hundred Dollars nor more than One Thousand Dollars for each violation thereof. Any person who produces oil or natural gas without first obtaining the permit required by this Act and paying the tax imposed by this Act shall be civilly liable for the tax due, and for a penalty of twenty per cent on the amount of tax due, together with interest on both tax and penalty at the rate of one per cent per month until paid.

By Mr. Maurice G. Howard.

H. B. No. 205. AN ACT repealing Sections 138.343 to 138.357 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

That Sections 138.343 to 138.357 inclusive of the Kentucky Revised Statutes is hereby repealed.

By Mr. Bean.

H. B. No. 206. AN ACT relating to election of council members in cities of the fourth class not having a commission or city manager form of government.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

(1) In cities of the fourth class operating under other than the commission or city manager form of government, one half, or where the number is uneven, the largest minority, of members of the city council elected at the next regular election, whether in 1950 or 1951, shall serve terms of one year only; the balance shall serve terms of two years. In cities having wards those members elected from the even-numbered wards shall serve the one year terms; in the cities not having wards, immediately following the election, the members shall determine by lot the length of terms to be served.

(2) Thereafter, an election shall be held each year to fill the regular vacancies and members elected at those times shall serve for terms of two years.

(3) The length of the terms of members of the council of a city hereafter classified as a city of the fourth class shall be determined as provided in this section.

H. B. No. 207. AN ACT relating to motor vehicles.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No person shall install or have installed in a motor

vehicle, or shall operate a motor vehicle in which there is installed, a television receiving set in such part of the vehicle that that the picture screen will be visible to the operator of the motor vehicle at the time he is operating it.

Sec. 2. Any person violating this Act shall be fined not less than $100 or not more than $500.

By Mr. Tinsley.

H. B. No. 208. AN ACT relating to the sealing and closing of abandoned water, gas or oil wells, vertical mine shafts, cisterns or other like artificially created openings in the earth.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Both the owner and person in possession of land on which there is a water, gas or oil well, vertical mine shaft, cistern or other like artificially-created opening in the earth, now abandoned or that is abandoned in the future, shall cause such opening to be closed or sealed in a substantial, permanent manner, to the end that no person or animal may inadvertently enter therein.

Sec. 2. Any owner or person in posssesion of land who willfully refuses or neglects to comply with the provisions of this Act shall, upon conviction thereof, be fined not less than $25 nor more than $100, or imprisoned for not less than 5 days nor more than 30 days, or both. Each day of noncompliance shall constitute a separate offense.

Sec. 3. The State Department of Health and all local boards and Departments of Health are charged with the enforcement of the provisions of this Act, and in furtherance thereof, the employes of such boards and departments are empowered to enter upon private property for purposes of inspection.

By Mr. Drury.

H. B. No. 209. AN ACT imposing a tax upon the sever-

ance of timber and timber products and appropriating the revenue therefrom to the Common School Per Capita Fund.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. An excise tax of fifteen cents per thousand feet (Board Measure) is hereby imposed upon the felling, cutting, severing, or producing timber or timber products from the soil or water, for sale, profit, or commercial use.

SECTION 2. The words "timber or timber products," when used in this Act, shall include saw-logs, cross-ties, veneer stock, blocks, bolts, cord-wood, piling, poles, posts and pulpwood and all other forms of natural products derived from timber which have a sale or commercial value.

SECTION 3. The tax imposed by this Act shall be paid by the person felling, cutting, severing or producing the timber or timber products on or before the 10th day of the calendar month in which said timber or timber products are felled, cut, severed or produced. The tax, together with any interest and penalties due thereon shall constitute a lien against the timber or timber products upon which the tax is due, which lien may be enforced against any owner or holder of said timber or timber products.

SECTION 4. The tax imposed by this Act shall be paid to the Department of Revenue. The Department of Revenue shall collect and administer this tax under the provisions of Chapter 131 of the Kentucky Revised Statutes.

SECTION 5. The revenue derived from the tax imposed by this Act hereby is appropriated to the Common School Per Capita Fund, for the payment and increase of the monthly salaries of teachers and for no other purpose; this appropriation to be in addition to any other appropriation made by any other Act to Common School Per Capita Fund.

By Mr. Preston.

H. B. No. 210. AN ACT authorizing the establishment of

a College of Veterinary Medicine and Surgery at the University of Kentucky.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The Board of Trustees of the University of Kentucky is authorized and directed to establish, in connection with the University and as an integral part thereof, a College of Veterinary Medicine and Surgery, and for that purpose to provide for the construction or acquisition of the necessary buildings, equipment, and facilities, and to appoint and fix the compensation of the necessary professors, assistants and other personnel, the same as for other colleges now constituting a part of the University.

Sec. 2. For the purposes set forth in this Act, the Board of Trustees of the University may receive, hold, administer and use donations, gifts, contributions, grants and bequests, and the income therefrom, subject to any conditions attached to the same.

Sec. 3. During the period that will be required to establish the College of Veterinary Medicine and Surgery, and to place the same in operation, the Board of Trustees may contract with the governing authorities of any recognized and accredited school of veterinary medicine and surgery, in this state or elsewhere, for the instruction of veterinary medical students enrolled in the University of Kentucky, who have completed their pre-veterinary work, and, pursuant to such contract or contracts, to pay tuition charges and fees for such students. For this purpose the Board of Trustees may use any donation, gifts, contribution, grant or bequest, or the income therefrom, that is available for the purpose, and may use the income from the invested appropriation as provided in Section 4 of this Act.

Sec. 4. For the purpose set forth in Section1 of this Act, there is hereby appropriated to the University of Kentucky, out of the surplus cash balance which will be in the State Treasury, to the credit of the General Expenditure Fund, as of June 30,

1950, the Sum of $2,000,000. Immediately following July 1, 1950, the State Treasurer shall withdraw from the General Expenditure Fund the sum of $2,000,000 in cash, and invest it in United States Government Bonds, which bonds shall be held and safely kept by the State Treasurer for the uses and purposes provided for in this Act. From time to time, as contracts or other expenditures against such appropriation shall be approved, the State Treasurer shall cash the necessary amount of bonds and make the proceeds available to meet such contracts or other expenditures. The interest received upon the bonds, in which the appropriation made by this section is invested, shall be available to the University of Kentucky for the purposes set forth in Section 3 of this Act, and any part of such interest not used for that purpose shall be deemed to be a part of the appropriation and shall likewise be invested by the State Treasurer in additional bonds. The appropriation made by this section shall not lapse at the end of any fiscal year, but shall be available from year to year until the entire sum thereof, including the interest on the bonds, has been used for the purposes of this Act.

By Mr. Hubbard.

H. B. No. 211. AN ACT relating to the preparation and dissemination of information concerning roads and highways in the Commonwealth.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Department of Highways may purchase space in magazines, newspapers, and other publications and may cause to be made and circulated all maps, prints, plans, lithographs, engravings, photographs, drawings, art work, and other specialized work deemed necessary in the dissemination of information concerning its roads and highways.

Section 2. The Department of Highways, with the approval of the Governor, may expend an amount not in excess of $250,000.00 a year for the purposes set out in Section 1 hereof.

Section 3. The provisions of Chapter 57 of the Kentucky Revised Statutes shall not be applicable or controlling in the expenditure of this fund.

By Mr. Deering.

H. B. No. 212. AN ACT relating to divorce, amending Section 403.010 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 403.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) A jury shall not be impaneled in any action for divorce, alimony or maintenance, but courts having general equity jurisdiction may grant a divorce for any of the causes enumerated in Kentucky Revised Statute 403.020.

(2) A decree of divorce shall not become final or operative until one year after the granting of the judgment therein, unless the Chancellor, in the exercise of sound discretion, deems it proper and fixes the effective date of said judgment at any time less than one year following the rendition thereof.

By Mr. Stringer.

H. B. No. 213. AN ACT to protect the blind and incapacitated pedestrians on public streets and highways.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. It is unlawful for any person, unless totally or partially blind or otherwise incapacitated, while on any public street or highway, to carry in a raised or extended position a cane or walking stick which is white in color or white in color and tipped with red.

Sec. 2. Whenever a pedestrian is crossing or attempting to cross a public street or highway, guided by a guide dog or carrying in a raised or extended position a cane or walking stick which is white in color or white in color and tipped with red, the driver of every vehicle approaching the intersection, or place where such pedestrian is attempting cross, shall bring his vehicle to a full stop before arriving at such intersection or place of crossing, and before proceeding shall take such precautions as may be necessary to avoid injuring such pedestrian.

Sec. 3. Nothing contained in this act shall be construed to deprive any totally or partially blind or otherwise incapacitated person, not carrying such a cane or walking stick or not being guided by a dog, of the rights and privileges conferred by law upon pedestrians crossing streets or highways, nor shall the failure of such totally or partially blind or otherwise incapacitated person to carry a cane or walking stick, or to be guided by a guide dog upon the streets, highways or sidewalks of this Commonwealth, be held to constitute nor be evidence of contributory negligence.

Sec. 4. Any person who violates any provision of this act, shall upon conviction thereof, be fined not exceeding twenty-five dollars ($25).

By Mr. Jonas.

H. B. No. 214. AN ACT relating to Civil Service employes in cities of the second and third classes, amending subsection (6) of Section 90.350 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (6) of section 90.350 of the Kentucky Revised Statutes is amended to read as follows:

(6) (a) Whenever, in a city which hereafter elects to operate under KRS 90.300 to 90.410, from any cause, there shall be a vacancy in any of the classified services, the employe in said classification ranking next highest in seniority, if he chooses,

shall succeed to and fill said vacancy, unless upon charges made by the city that said employe is not qualified to fill said vacancy, and after notice and upon trial to determine his qualifications in the same manner as is now required for the dismissal, suspension, or reduction in grade or pay of an employe, it be established by the city that said employe has not the necessary qualifications to enable him to discharge the duties of the office or position in which the said vacancy occurs. Provided that; in case of a vacancy in the classified service, where peculiar and exceptional qualifications of a particular professional or educational character are required, upon satisfactory evidence that for reasons stated in writing by the appointing authority, competitive examination in such case is impracticable; the commission may suspend the provisions requiring competitive examination under Civil service.

(6) (b) The legislative body of any city which has heretofore elected to operate under Kentucky Revised Statutes 90.300 to 90.410 is hereby empowered to adopt by ordinance such rules and regulations governing and providing for the manner of filling vacancies and making promotions in the classified positions under City Civil Service as it may deem advisable and necessary for the proper operation of the city.

By Mr. Estep.

H. B. No. 215. AN ACT changing the classification of the City of London, in Laurel County.

Said bill is as follows, viz:

WHEREAS, satisfactory evidence has been presented to the General Assembly that the population of the City of London, in Laurel County, is such as to justify its being assigned to the fourth class of cities;

NOW THEREFORE

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The City of London, in Laurel County, is transferred from the fifth to the fourth class of cities.

By Mr. Beatty.

H. B. No. 216. AN ACT relating to traffic regulations and motor vehicles, amending subsection (6) of Section 189.340 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Subsection (6) of Section 189.340 of the Kentucky Revised Statutes is amended to read as follows:

(a) The operator of a motor vehicle shall not follow another vehicle more closely than is reasonable and prudent, having regard for the speed of the vehicle and the traffic upon and condition of the highway.

(b) The operator of any motor truck when traveling upon a roadway outside of a business or residence district shall not follow within 500 feet of another motor truck. This subsection shall not prevent overtaking and passing nor shall it apply to any lane specially designated for use of motor trucks.

By Mr. Hayes.

H. B. No. 217. AN ACT extending the jurisdiction of the Board of Claims.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. That KRS 176.290 be amended so that when amended it shall read as follows, to-wit:

(1) A Board of Claims composed of a Judge or Commissioner of the Court of Appeals, appointed by the Chief Justice of the Court of Appeals, the Attorney-General, and the Commissioner of Finance, is hereby created and vested with full power and authority to investigate, hear proof, and to compensate persons for damages sustained to either person or property as a

proximate result of negligence on the part of the Commonwealth, any of its departments or agencies, or any of its agents or employees while acting within the scope of their employment by the Commonwealth or any of its departments or agencies.

(2) The Board shall have jurisdiction of claims for the recovery of money where the amount in controversy, exclusive of interest and costs, does not exceed $5,000.

SECTION 2. That KRS 176.310 be amended so that when amended it shall read as follows, to-wit:

The Attorney-General, either by regular or special assignment, shall designate one of his assistants to present any opposition the Commonwealth or any of its departments or agencies may have to the allowance of any claim filed with the Board.

SECTION 3. That KRS 176.320 shall be amended so that when amended it shall read as follows, to-wit:

(1) The members of said Board and the Assistant Attorney-Generals assigned to defend claims filed with the Board shall receive no additional compensation for the performance of their duties on or before the Board; provided, however, members of the Board, Assistant Attorney-Generals, and all employees of the Board shall be recompensed for all reasonable expenses they may incur incident to their duties for or before the Board. All awards or judgments made by the Board against the Department of Highways shall be paid out of the State Road Fund, upon warrants drawn by the Commissioner of Finance upon the State Treasurer. All awards or judgments made by the Board against other departments or agencies of the State, which are not maintained by appropriations out of the General Fund, shall be paid out of funds created or collected for the maintenance and operation of such departments or agencies respectively, upon warrants drawn by the Commissioner of Finance upon the State Treasurer. All awards or judgments made by the Board against all other departments or agencies of the Commonwealth shall be paid out of the General Fund of the Commonwealth, upon warrants drawn by the Commissioner of Finance upon the State Treasurer. All costs incident to the oper-

ation of said Board shall be paid out of the State Road Fund, upon warrants drawn by the Commissioner of Finance upon the State Treasurer; provided, however, in all cases wherein claims are filed against the Commonwealth or any of its departments or agencies other than the Department of Highways, the Clerk of the Board shall tax as costs of the action the same fees allowed for corresponding services in actions instituted in the Circuit Court, and such costs, when collected, shall be covered into the State Treasury to the credit of the State Road Fund. The Board of Claims shall have the power and authority to determine the right of any party to an action before it to recover of the opposing party the costs incurred by him or it in such action; and such decision shall not be subject to appeal.

(2) Should the business of the Board require clerical or other help, such help shall be employed only by written consent of the Commissioner of Highways, the Commissioner of Finance, and the Governor.

Section 4. KRS 176.330 shall be amended so that when amended it shall read as follows, to-wit:

A claim must be presented to the Board within one year from the time it first shall have accrued; provided however, any claim which shall have accrued between January 1, 1948 and the effective date of this Act shall be filed with the Board within one year after the effective date of this Act.

SECTION 5. That KRS 176.340 shall be amended so that when amended it shall read as follows, to-wit:

An award or judgment shall be made only after consideration of the facts surrounding the matter in controversy, and no award or judgment shall be made unless the Board is of the opinion that the damage claimed was caused by such negligence on the part of the Commonuwealth or its agents as would entitle claimant to a judgment in an action at law if the State were amenable to such action.

SECTION 6. KRS 176.380 shall be amended so that when amended it shall read as follows, to-wit:

KRS 176.290 to 176.380 shall not be construed to deprive

any person whose claim amounts to more than $5,000 from suing in the Courts, where such right exists or would have existed if KRS 176.290 to 176.380 had not been enacted into the laws of this Commonwealth; provided however, any action prosecuted to judgment under the provisions of KRS 176.290 to 176.380 shall preclude the right of such claimant to sue the Commonwealth or any of its departments or agencies in any other forum.

SECTION 7. All Acts or parts of Acts in conflict herewith, to the extent of such conflict, hereby are repealed.

By Mr. Snapp.

H. B. No. 218. AN ACT relating to qualifications, registration and purgation of voters.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 117.120 of the Kentucky Revised Statutes is amended and reenacted to read as follows:

(1) Before a ballot is issued to any person at any primary, special or regular election, he shall sign his name upon a comparative signature card, unless he signed his registration record by making his mark, and the officers of the election shall compare the signature of every such person with the signature of that person on the registration record form in the precinct register. The challengers shall also have the right to compare the signature at the time the comparison is made by the officers of the election. If the comparison of signatures creates a doubt in the minds of two of the election officers as to whether the person applying to vote is the same person as the registrant, no ballot shall be issued to him unless he otherwise satisfactorily establishes his identity as the registrant. The comparative signature cards shall be furnished and paid for in the same manner as other election paraphernalia. The signed cards shall be delivered by the election officers to the county clerk within two days after the election, and he shall retain them for such length of time, not less than six months, as he deems necessary.

(2) If any person applying to vote at any primary, special or regular election states that he cannot sign his name, the judges of the election shall immediately swear him as to his name and his inability to write, and thereupon the judges and the challengers shall examine the registration record in the precinct register, and if it is shown by the record that the person of that name signed his name on the registration record, a ballot shall not be issued to the person so applying, unless his inability to sign his name at the date of the election is due to some physical disability arising subsequent to his registration; if, however, it is shown by the record that the person of that name was unable to sign the registration record, then the person applying to vote shall be asked questions covering the information called for on the registration record form provided for in Section 117.170 of Kentucky Revised Statutes, in order that his answers may be compared with the information shown on the registration record in the precinct register. The election officers shall make and return to the board a record sheet of each person so sworn, showing the disposition made of each case. The record sheets shall be provided in the same manner as other election paraphernalia.

(3) The election clerk in each precinct shall, immediately after the issuing of a ballot to any voter at any primary, special or regular election, indicate at the proper place on the registration record that such person voted at the election.

(4) The fact that a person is registered constitutes only prima facie evidence of his right to vote and does not prevent the officers of any primary, special or regular election from refusing to issue him a ballot for causes and in the manner provided by the general election laws of the state.

Sec. 2. Section 117.390 of the Kentucky Revised Statutes is amended and reenacted to read as follows:

(1) The State Board of Registration and Purgation shall, on January 1, of each year, appoint a county board of registration and purgation for each county, to serve for the ensuing year. The county board of registration and purgation shall consist of three members, of whom one shall be chosen from each of the

two political parties having representation upon the State Board of Election Commissioners and one shall be another citizen of the county to be selected by the State Board of Registration and Purgation. Each of the members shall be at least twenty-one years of age, shall reside in the county of his appointment, and shall possess all of the qualifications of a legal voter. The State Board of Registration and Purgation may remove any member of the county board of registration and purgation for cause.

(2) If the State Board of Registration and Purgation shall fail to name a county board of registration and purgation at the designated time, or if a member or members of a county board shall fail to qualify within ten days after appointment, or refuse to serve, then any citizen of the county may bring a summary proceeding in the Franklin Circuit Court to compel the appointment of such county board, or the designation of persons to fill vacancies thereon, as the case may be.

Sec. 3. Section 117.420 of the Kentucky Revised Statutes is amended and reenacted to read as follows:

(1) Members of county boards of registration and purgation shall receive from three to eight dollars each per day, the exact compensation per day to be fixed by the fiscal court, for not more than thirty days per year, except in counties containing cities of the first class, in which counties each member shall receive $1200 per annum, to be paid by the fiscal court in monthly installments. In all counties the board shall meet at least once during the first ten days of the sixty-day period next preceding any primary, special or regular election, and may remain in session for the purpose of hearing challenges continuously from that time until such election is held. The board shall also meet at such other time or times as may be necessary to enable it to perform its duties. The board shall hold all of its meetings at the court house unless it is necessary that it hold meetings at some other place in the county, but no meeting shall be held at any other place in the county unless the persons affected by the meeting are given notice by registered mail of its time and place. All meetings of the board shall be public.

(2) If any county board of registration and purgation fails

to meet as required in this chapter, or fails to make a diligent effort to effect an adequate purgation, then any citizen of the county may prefer charges against said board before the State Board of Registration and Purgation, which charges shall be heard and disposed of within five days after notice of five days has been given to the county board. If the State Board fails to act on said charges as herein provided, then said citizen may apply to Franklin Circuit Court for a summary mandatory order.

(3) It shall be the duty of the grand jury in each county to inquire, at least once in every period of twelve months, into the state of the registration records of the county, and to report its findings in open court.

Sec. 4. Section 117.440 of the Kentucky Revised Statutes is amended and reenacted to read as follows:

The county boards of registration and purgation may examine the registration lists and registration books in the county clerk's office, and in the office of the board of registration commissioners in cities of the first class, as often as they deem advisable, and shall examine the registration books after the closing date of the books for registration and before any regular, special or primary election, for the purpose of removing from the lists or books the names of persons who have, since the date of their registration, died, moved, or otherwise become disqualified to vote. If a county board of registration and purgation, upon investigation, has reasonable grounds to believe that there are names upon the registration lists or books of persons who have died, moved, or otherwise become disqualified to participate in any regular, special, or primary election, the board shall prepare a list of such names. When the board challenges the registration of any voter, it shall immediately notify the voter by mail at his place of residence shown upon the registration list or book that his right to vote in the regular, special or primary election has been challenged and that his name will be stricken from the registration list or book unless he appears before the board within five days and shows cause why his name should not be stricken. If the voter appears and desires to be heard upon the challenge, the board shall hear and

determine whether or not the name of the voter shall remain upon the registration lists or books, and no name shall be stricken from the registration lists or books until the voter has been given an opportunity to be heard. If the board determines that the voter is legally registered, his name shall remain upon the registration lists or books. If, after a hearing, the board determines that the name of the voter is illegally or improperly upon the lists or books, it shall enter an order directing the county clerk or board of registration commissioners to strike the name of the voter therefrom. If, after the mailing of notice to the voter, as aforesaid, he fails to appear before the board and contest the challenge, it shall be prima facie evidence that his name illegally or improperly appears upon the registration lists or books, and the board without further hearing shall strike his name therefrom. The notice herein provided for shall be by mail, and the five days allowed for protest shall not include the date of mailing. In the event any such mail is returned by the post office, the names of the voters to whom such mail was addressed shall be published in the newspaper that has the largest bona fide circulation in the county, with notice that they are to be purged from the voting lists unless they appear before the county board of registration and purgation to contest the challenge within five days after publication of said notice; provided, however, that in the case of voters unable to appear personally before the board because of illness, physical infirmities or temporary absence from the community, the board shall accept in lieu of personal appearance a written statement, duly notarized, either of the voter or of his attorney, and setting forth the voter's case. After completing its purgation of the registration lists of a county, the board shall promptly notify the county clerk or board of registration commissioners of all names purged by it.

Sec. 5. (1) The county board of registration and purgation of each county, other than counties containing a city of the first class, shall cause a purging and correcting of the registration books and records of the county for any primary, special or regular election upon the request in writing of the county executive committee of either of the two political parties having representation upon the State Board of Election Commissioners, or upon the request in writing of any candidate for office in said

election, or upon the determination by said county board that such purging and correcting are necessary or desirable.

(2) The county board of registration and purgation shall cause to be made a house to house canvass in each precinct of the county with respect to which a request has been made under subsection (1) of this section and in such other precincts as said board may designate; provided, however, that the board shall not be required to cause a house to house canvass to be made in a particular precinct more than once in any twelve-month period; and provided, further, that the board shall not be required to cause a house to house canvass to be made in any precinct or precincts if the board shall, upon investigation, find that such a canvass would serve no useful purpose. The canvass in each precinct shall be made jointly by two investigators, who shall be appointed by the county board of registration and purgation from each of the two leading political parties at least three days in advance of the date specified for the commencement of the canvass. The county board of registration and purgation may remove any investigator and appoint a substitute, provided that the substitute shall be of the same political party as the person removed. The canvass shall be commenced during the first two weeks of the sixty-day period next preceding the date upon which the primary, special or regular election is to be held, and shall be concluded within two weeks after its commencement. The county board of registration and purgation shall furnish the investigators with a list of names and addresses of the registered voters in the precinct which they are to investigate, arranged in convenient order to facilitate investigation.

(3) The investigators for each precinct shall make a written report to the county board of registration and purgation not later than the last day of the two-week period provided for making the canvass, giving the names and addresses of all persons properly registered in the precinct who are legally entitled to vote in the ensuing primary, special or regular election, as the case may be. When the report of the investigators in any precinct indicates that any person registered in the precinct is not legally entitled to vote at the ensuing election, the county board of registration and purgation shall remove, transfer or cancel, or cause to be removed, transferred or canceled, such registration, so as to make the record correspond with the report made by

the investigators and to correct the registration record to the date of the report; provided, however, that no such change shall be made until after all the provisions relating to notice to the affected voter and his right to a hearing before the county board of registration and purgation set forth in Section 117.440, as amended, of the Kentucky Revised Statutes have been complied with.

(4) This section shall apply to counties containing a city of the first class, as to territory within the county outside such city.

Sec. 6. Subsection (2) of Section 117.080 of the Kentucky Revised Statutes is amended and reenacted to read as follows:

(1) At the time of registering a voter outside of cities of the first class, the county clerk shall enter upon the original record form the name of the voter and all other information called for on the form. After the entries have been made, the voter shall write his signature upon both the original and copy record forms. If any applicant for registration states under oath that he cannot write his name, the clerk shall sign the registration record forms for such person, and such person shall sign the records by making his mark thereon and the clerk shall attest the same. The clerk, at the time of registering the voter or as soon thereafter as practicable, shall enter upon the copy record form the name of the voter together with all of the information appearing on the original record form, so that the copy form shall be an exact duplicate of the original, and shall at all times keep in a safe place in his office both the original and copy record forms, except that the copy forms shall be furnished to the election officers as provided in KRS 117.110. The original and copy record forms shall be filed in securely locked binders or card files, by precincts, in such systematic order as is prescribed by the board referred to in KRS 117.070, and shall constitute the precinct registers to be used as provided in this chapter.

(2) Immediately after the closing of the registration books as provided in KRS 117.050, and in any event not later than twelve days after such closing, the county clerk shall prepare

a list, in quadruplicate, of all registered voters in each precinct as shown by his registration books, and shall furnish one copy, without cost, to the county board of registration and purgation. After the county board of registration and purgation has completed its purgation of the registration lists and has notified the county clerk of the names purged, he shall strike those names from the quadruple lists prepared by him. The lists so corrected shall be furnished in triplicate to the election clerks as provided in KRS 117.110.

Sec. 7. Subsection (2) of Section 117.430 of the Kentucky Revised Statutes is amended and reenacted to read as follows:

(1) Each county board of registration and purgation may employ such clerical, stenographic and other help, and purchase such supplies and equipment, as it deems necessary to carry out its duties under the provisions of this chapter. The help so employed and supplies and equipment so purchased shall be paid for by the fiscal court of the county upon certification of the cost to the fiscal court by the chairman and secretary of the board, accompanied by an affidavit of the chairman and secretary of the board that the employment or purchase was necessary in the discharge of the duties of the board and that the amount allowed or expended for such help, supplies and equipment was in their opinion reasonable.

(2) Each county board of registration and purgation shall employ the investigators provided for in this chapter. Investigators shall receive from three to eight dollars per day, the exact compensation per day to be fixed by the fiscal court, for not more than twenty days per year.

Sec. 8. Subsection (3) of Section 117.430 of the Kentucky Revised Statutes is repealed.

Sec. 9. Sections 117.425, 117.460, 117.470, 117.480, and 117.490 of the Kentucky Revised Statutes are repealed.

Sec. 10. Section 117.560 of the Kentucky Revised Statutes is amended and reenacted to read as follows:

(1) Any person whose right to vote has been denied or

whose name has been stricken from the registration lists or registration books, or who is otherwise aggrieved by any act in respect to his registration, by the county board of registration and purgation, or by the board of registration commissioners of a city of the first class, and any person or party executive committee that has challenged the registration of any voter and is aggrieved by any act of the county board of registration and purgation or of the board of registration commissioners of a city of the first class, may appeal from the board. In the case of voters in cities of the first class, the appeal shall be taken to any judge of the circuit court of the county in which the city is located. In the case of other voters, the appeal shall be taken to the county judge or to a judge of the circuit court of the county. The appeal shall be taken by presenting to the judge a written statement of the act of the board complained of, and the grounds of the complaint. In the case of voters in cities of the first class, the statement shall be made on printed forms furnished by the board of registration commissioners. Before the appeal is taken, written notice shall have been given to the board complained of, stating the time and place at which and the name of the judge before whom the appeal will be presented, and the grounds therefor, so as to give the board a reasonable opportunity to be present at such time and place.

(2) The appeals provided for by this section shall be perfected not less than five days prior to any primary, regular or special election, and if not perfected within that time no county or circuit judge shall have jurisdiction to hear the appeal.

(3) The judge to whom the appeal is taken shall, at the time fixed in the notice of appeal or at a subsequent time fixed by him, summarily decide the question presented and endorse on the statement of complaint an order disposing it. The action of the judge shall be final, and upon return of the statement of complaint, with the order of the judge endorsed thereon, to the county clerk or to the office of the board of registration commissioners, the clerk or board shall correct its record in accordance with the order.

H. B. No. 219. AN ACT to amend and reenact Sections 126.160, 126.170 and 126.990 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That Section 126.160 of the Kentucky Revised Statutes be and the same is hereby amended and reenacted so that, when reenacted, the same shall read as follows, to-wit:

126.160. *Form of application for ballot; affidavit.* Applications for absent voter's ballots shall be signed and sworn to by the absent voter before the county court clerk, or before a civil officer authorized by law to administer an oath. The application shall be substantially in the following form:

"County Court Clerk of _____ County.

_____, Kentucky.

"I, _____, state that I am a resident of the State of Kentucky and have been such for at least one year prior to the date hereof. I am a resident of _____ County and have been such for more than six months prior to said date, and am a resident of _____ precinct of said county (or _____ ward of the city of _____, county of _____) and have been such for at least sixty days prior to said date; that I am a duly qualified voter of said precinct (or said ward), and I am affiliated with the _____ political party; that my present Post Office address is _____, and that I am a white male colored person, and a female person, and _____ years of age; that in the course of my business or duties I expect to be absent from said precinct or ward on the election to be held in said precinct or ward on the _____ day of _____, 19____, and I will not vote elsewhere at said election. I request that an official ballot be mailed to me at the following address:

_____
(Name and Address)

_____
(Rank and unit if member of Armed Forces)

(Voter must sign here, and oath must
be administered and attested.)

"Subscribed and sworn to before me this _____ day of _____, 19____.

(Name and Official Title)".

Sec. 2. That Section 126.170 Kentucky Revised Statutes be and the same is hereby amended and reenacted so that, when reenacted, the same shall read as follows, to-wit:

126.170. *Registration, verification and preservation of applications of registered and non-registered absent voters' ballots; list of all applications; preservation of applications; registration of applicants in Armed Forces.* Upon receipt of any application for an absent voter's ballot, the county court clerk shall examine the registration books for the purpose of ascertaining whether or not the applicant is a registered voter as stated in the application. If the county court clerk finds that the applicant is so registered, he shall forward a ballot to the voter as provided in KRS 126.190. If the county court clerk does not find the applicant to be so registered, and if the application does not indicate that the applicant is a member of the Armed Forces, the clerk shall immediately mail a letter to the applicant, at the address stated in the application, advising him that his application cannot be honored because of the fact that he is not registered, and advising him what period of time, if any, remains in which he may register prior to such election, and the clerk shall place the application in a file entitled "Nonregistered Applicants for Absent Voter's Ballots." If the clerk thereafter, and prior to the election, receives notice from the applicant advising the clerk that the applicant has registered, the clerk shall again examine the registration books, and if he finds that the applicant has registered, he shall remove the application from the nonregistered applicants' file and forward a ballot as provided in KRS 126.190. All applications for absentee ballots received by the Clerk, whether the applicant is registered or not registered, shall be retained, preserved and filed by the clerk, in alphabetical order, in a secure place in his office. At the expiration of one year, the clerk may destroy all applications except where

the right of the voter to cast a legal vote has been challenged. The clerk shall keep a register of each application, which shall be a permanent record, showing the following: Name of applicant, address, age, sex, color, party affiliation, precinct number where the voter claims the right to vote, and the date of application. If the application of a person found not to be registered indicates that the applicant is a member of the Armed Forces, the county court clerk, upon being satisfied that the applicant is entitled to be registered, shall cause the applicant to be registered in the registration records of the proper precinct, and shall mark upon such registration records the words, "Absentee Registration." Such registration may be made at any time prior to the election for which an absent voter's ballot is applied for.

Sec. 3. That Section 126.990 Kentucky Revised Statutes be and the same is hereby amended and reenacted so that, when reenacted, the same shall read as follows:

126.990. *Penalties.* (1) Any person who, for the purpose of voting under the provisions of KRS 126.140 to 126.320, swears to or affirms an application for an absent voter's ballot, or swears to or affirms the oath on the inner envelope for an absent voter's ballot, knowing that the same contains any false statement, shall be confined in the penitentiary for not less than one nor more than five years.

(2) Any county court clerk or election officer who wilfully refuses or fails to perform any of the duties required of him by KRS 126.140 to 126.320, or who in any manner wilfully violates or abuses any trust or duty imposed on him by those sections, shall be fined not less than one hundred dollars nor more than one thousand dollars.

(3) Any person who, by threat, bribery, corrupt or arbitrary measure, offer or payments of reward, or by other unlawful means, interferes with any qualified voter in the free exercise of his right to vote under the provisions of KRS 126.140 to 126.320, shall be fined not less than one hundred dollars nor more than one thousand dollars.

Ordered that said bills be printed and referred.

The Committee to which the same had previously been referred reported resolutions of the following titles, viz:

By Mr. Burnley of the Committee on Ways and Means.

H. Res. No. 17. A JOINT RESOLUTION providing for Homecoming Year in the Commonwealth of Kentucky in co-operation with the State Chamber of Commerce, and further providing that the Governor of the Commonwealth may use from his emergency fund, within his discretion, such sums as may be deemed necessary to properly advertise and promote the "Homecoming Year"; and declaring an emergency.

By Mr. Williamson of the Committee on Claims.

H. Res. No. 10. A JOINT RESOLUTION authorizing Johnie Hale of Prestonsburg, Kentucky, to sue the Commonwealth of Kentucky.

With the expression of opinion that same should pass.

Whereupon said resolutions were each and severally read at length for the first time and

Ordered placed in the Calendar.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed bills which originated in that body of the following titles, viz:

S. B. No. 4. AN ACT to repeal, amend and reenact Section 95.768 Kentucky Revised Statutes, 1946 Edition, providing for the establishment of a police and firemen's pension fund in cities of the fourth class and for the source, custody, investment and disbursement of said fund.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. Section 95.768, Kentucky Revised Statutes, 1946 Edition be, and the same is now repealed, amended and re-enacted.

2. The Police and Firemen's Pension Fund in Cities of the Fourth Class shall consist of (a) the proceeds of an annual tax, which may be levied by the City Legislative Body, of not more than three cents on each one hundred dollars in value of taxable property, (b) all rewards, fees, gifts or emoluments paid or given on account of extraordinary service of any member of the police or fire department; (c) assessments, which the Board of Trustees of the pension fund shall make, upon each member of the police and fire departments, of not more than three and one-half per cent of his salary, to be held from the monthly salary and paid by the City Treasurer into the Pension Fund.

3. Said fund shall be for the pensioning of any policeman or fireman who served in the Police or Fire Departments for at least a period of twenty years or more, providing the applicant has reached his fifty-first birthday, and all members of the police and fire departments shall be entitled to be credited with the services rendered continuously prior to the adoption ordinance under the provisions of Section 95.761, Kentucky Revised Statutes, by said City, to the eligibility of the twenty year, or more, period for pension, not less than three, nor to exceed fifteen years of previous service, and for the further purpose of pensioning any member of the Police or Fire Department who may become permanently crippled while in the service and on duty, and for the further purpose of pensioning the widow or dependent children under the age of fourteen (14) years of age, or either of them, of any member of said departments who may lose his life while in the service and on active duty. The payments made under the provisions of this Section shall constitute and be kept as a fund to be called the "Policemen's and Firemen's Pension Fund," and the Board of Trustees of the Policemen's and Firemen's Pension Fund, are declared to be the trustees of said fund, and they shall have power, and it shall be their duty, from time to time, to invest the same, in whole or in part, as they shall deem most advantageous for the objects of said fund; and they are empowered to make all the necessary contracts and to pursue all the necessary remedies in the premises.

All laws, or parts of laws, in conflict herewith are repealed.

S. B. No. 39. AN ACT relating to the meetings of boards

of commissioners in cities operated under the City Manager form of government, amending Section 89.550 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 89.550 of the Kentucky Revised Statutes is amended to read as follows:

The board of commissioners shall meet at least once a week for the transaction of business during the months of October, November, December, January, February and March, and shall meet at least twice a month during the months of April, May, June, July, August and September. It shall fix, by ordinance, the time of holding its regular meetings. A special meeting may be called by the mayor or by two commissioners. All meetings shall be public.

Ordered that said bills be printed and referred.

CALENDAR

The House took up for consideration from the Calendar a bill of the following title, viz:

H. B. No. 37. AN ACT repealing Subsection 24 of Section 95.050 of Kentucky Revised Statutes, and to enact in lieu thereof new provisions relating to the time of holding Circuit Court in Lawrence and Johnson County, and when re-enacted will read as follows:

Ordered that said bill be read at length the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said bill be dispensed with, and same be read for the second time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second

reading at length of said bill having been dispensed with, said bill was read for the second time by its title only and

Ordered placed in the Orders of the Day.

The House took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 55. AN ACT relating to the fee of court commissioners and receivers, amending Section 64.260 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 64.260 of the Kentucky Revised Statutes is amended to read as follows:

(1) The fees of court commissioners and receivers for the following services shall be as follows:

To a commissioner for alloting dower, dividing land or settling accounts, per day	$ 1.50
To a commissioner for making a deed	1.50
To master commissioner or receiver, where the amount is not agreed upon by the parties, for each day they are actually engaged	3.00
For selling land or personal property:	
Where the amount of the sale does not exceed $2,000	7.50
Where the sale amounts to more than $2,000, but does not exceed $5,000	10.00
Where the sale amounts to more than $5,000, but does not exceed $10,000	15.00
Where the sale exceeds $10,000	25.00

Where the officer goes out of the county to make the sale he shall be allowed his actual expenses and five dollars per day in addition to the fees.

Where more than one tract of land is sold under the same decree, the court may allow not exceeding five dollars for each additional tract sold.

If a sale is set aside because of the fault of the officer making the sale, he shall not receive any compensation for his services connected with the sale.

For receiving and paying out money under an order of court:

Where the amount is $5,000 or less, 2%.

Where the amount is more than $5,000, 1%.

(2) If the commissioner needs, for the proper conduct of his office, a deputy, and he and his deputy or deputies are constantly employed in the discharge of their duties, the court may allow him, for reports and other services rendered under order of court, such fees as the court prescribes.

(3) Fees and allowances to commissioners and receivers shall in all cases, be taxed as part of the costs, and may be collected by the distress as circuit clerks fees are collected or on motion of the persons entitled to them by judgment and execution or attachment.

(4) No allowance shall be made to a commissiooner or receiver until he has filed in court a written statement under oath of the number of days he has acted. In all cases evidence may be heard for and against an allowance.

Mr. Smith moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said bill be read at length the third time.

Mr. Smith moved that the Constitutional provision as to

the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Sidney Baer	W. M. Horn, Jr.	Hobart Rayburn
R. O. Blevins	Silas Jacobs	W. R. Reasor
Charles J. Bronston	Barkley Jones	Carl J. Ruh
Charles W. Burnley	Jesse H. Lawrence	Roy Searcy
Alex Calvert	Mrs. J. T. Linton	Paul E. Shannon
Stanley Carter	A. L. (Chick) Love	Gus Sheehan, Jr.
Paul Combs	Harry K. Lowman	Jesse H. Shelton
Owen Deering	True Mackey	Forest Smith
Thomas R. Duncan	William T. Marshall	Joseph T. Snapp
Mitchell S. Fannin	Jack McPherron	John M. Spaulding
Henry C. Hale	Alton Mitchell	Roy Steers
James P. Hanratty	Emmett G. Moore	Mrs. Thelma Stovall
Paul E. Hayes	Walter R. Moorman	W. R. Stringer
William K. Henry	Fred H. Morgan	Rev. T. H. Tinsley
Ray Holbrook	C. S. Nabb	Ralph N. Walter
Woodrow W. Hollan	Dr. C. E. Palmore	Harry L. Waterfield
Chester J. Holsclaw	James H. Polsgrove	—50

Those who voted in the negative were—

J. D. Buckman, Jr.	Harold G. Helm	James S. Shaw
Josh R. Cosby	Homer E. Losey	Lyle H. Webb
Roscoe C. Estepp, Sr.	Leonard W. Preston	—8

Resolved that the title thereof be as aforesaid.

Mr. Smith moved that the vote by which said bill was passed be reconsidered.

Said motion was agreed to by a majority of the members elected.

Thereafter, such reconsideration.

Mr. Smith moved that said bill be laid on the Clerk's desk.

Said motion was agreed to.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 27. AN ACT relating to the compensation of grand and petit jurors in circuit courts, amending subsection (1) of Section 29.390 of the Kentucky Revised Statutes.

Mr. Weintraub moved that said bill be laid on the Clerk's desk.

Said motion was agreed to.

The House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 12. A JOINT RESOLUTION providing for the purchase and distribution of "The Legislative Digest."

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. The Perry Publishing Company is authorized and directed to furnish 200 copies of "The Legislative Digest," each day the House or Senate is in session, for delivery and distribution as provided in Section 2 of this Resolution, for which said company shall be paid the sum of $4,000.00 out of the appropriation for expenses of legislative sessions for the current fiscal year made by Chapter 2 of the Acts of 1948. The Department of Finance shall issue its warrant for payment of this amount upon receipt of a voucher for the same endorsed and approved by the Speaker of the House of Representatives and the President of the Senate.

2. The distribution of "The Legislative Digest" shall be as follows:

(a) 110 copies to the Clerk of the House for distribution to the members of the House and to such officers of the House as the Speaker may direct.

(b) 45 copies to the Clerk of the Senate for distribution to the members of the Senate and to such officers of the Senate as the President of the Senate may direct.

(c) 45 copies to the Governor and to such officers and employes of the Commonwealth as the Governor, the President of the Senate and the Speaker of the House may direct.

3. WHEREAS, in order that the functions of the General Assembly may be expedited, it is essential that The Legislative Digest be available to the members during the present session, an emergency is declared to exist and this Resolution shall take effect upon its passage and approval by the Governor.

Ordered that said resolution be read at length the third time.

Mr. Hanratty moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Leonard T. Bean	Edw. O. Bridgers
Bill Adams	John D. Beatty	Thomas L. Britton
Edgar Arnett	R. O. Blevins	Charles J. Bronston
Walter J. Bailey	L. E. Bradley	J. D. Buckman, Jr.

Charles W. Burnley	Maurice G. Howard	Carl J. Ruh
Stanley Carter	Robert N. Hubbard	LeRoy Saylor
Paul Combs	Silas Jacobs	Paul E. Shannon
Josh R. Cosby	Paul S. Jonas	James S. Shaw
B. H. Crider	Barkley Jones	Gus Sheehan, Jr.
G. I. Drury	William Jones	Forest Smith
Thomas R. Duncan	James W. Lambert	Joseph T. Snapp
R. C. Estepp, Sr.	Jesse H. Lawrence	John M. Spaulding
Mitchell S. Fannin	Mrs. J. T. Linton	J. Claude Stacy
Henry C. Hale	Homer E. Losey	Roy Steers
C. A. Hammons	A. L. (Chick) Love	Mrs. Thelma Stovall
James P. Hanratty	True Mackey	W. R. Stringer
George F. Harris	Damon Majors	M. G. Thompson
Paul E. Hayes	Wm. T. Marshall	Ralph N. Walter
John A. Head	Jack McPherron	Fred M. Warns
Harold G. Helm	W. R. Moorman	Harry Lee Waterfield
William K. Henry	Fred H. Morgan	Lyle H. Webb
E. R. Hilton	C. S. Nabb	Morris Weintraub
Ray Holbrook	Dr. C. E. Palmore	G. F. Williamson
W. W. Hollan	James H. Polsgrove	Charles W. Wirsch
Chester J. Holsclaw	Leonard W. Preston	
W. M. Horn, Jr.	Hobard Rayburn	
Richard R. Houpt	W. R. Reasor	—73

Resolved that the title thereof be as aforesaid.

Mr. Hanratty moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The House took up for consideration from the Orders of the Day a bill of the following title, viz:

S. B. No. 14. AN ACT classifying the City of Bowling Green, Warren County, Kentucky, as a city of the Second Class.

Said bill is as follows, viz:

PREAMBLE

WHEREAS, since the last Federal census the population of the City of Bowling Green has increased to a total population

within the corporate limits of more than Twenty Thousand (20,000) citizens, and

WHEREAS, under Section 156 of the Constitution it is provided that the General Assembly shall designate cities with a population of Twenty Thousand (20,000) or more, and less than One Hundred Thousand (100,000) as a city of the Second Class,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

That on and after the effective date of this Act the City of Bowling Green, Warren County, Kentucky, now classified as a Third Class City, shall be and is a City of the Second Class, with all the powers vested in such Cities of the Second Class now granted by law.

Ordered that said bill be read at length the third time.

Mr. Palmore moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John D. Beatty	Charles J. Bronston
Edgar Arnett	R. O. Blevins	J. D. Buckman, Jr.
Sidney Baer	L. E. Bradley	Charles W. Burnley
Walter J. Bailey	Edw. O. Bridgers	Stanley Carter
Leonard T. Bean	Thomas L. Britton	Paul Combs

John R. Cosby	Silas Jacobs	W. R. Reasor
B. H. Crider	Paul S. Jonas	Carl J. Ruh
Owen Deering	Barkley Jones	LeRoy Saylor
Thomas R. Duncan	William Jones	Roy Searcy
R. C. Estepp, Sr.	James W. Lambert	Paul E. Shannon
Mitchell S. Fannin	Jesse H. Lawrence	James S. Shaw
Henry C. Hale	Mrs. J. T. Linton	Gus Sheehan, Jr.
C. A. Hammons	Homer E. Losey	Forest Smith
James P. Hanratty	A. L. (Chick) Love	Joseph T. Snapp
George F. Harris	True Mackey	John M. Spaulding
Paul E. Hayes	Damon Majors	J. Claude Stacy
John A. Head	Wm. T. Marshall	Roy Steers
Harold G. Helm	Jack McPherron	Mrs. Thelma Stovall
William K. Henry	Alton Mitchell	W. R. Stringer
E. R. Hilton	Emmett G. Moore	M. G. Thompson
Ray Holbrook	Walter R. Moorman	Ralph N. Walter
W. W. Hollan	Fred H. Morgan	Fred M. Warns
Chester J. Holsclaw	C. S. Nabb	Harry Lee Waterfield
W. M. Horn, Jr.	Dr. C. E. Palmore	Lyle H. Webb
Richard R. Houpt	James H. Polsgrove	G. F. Williamson
Maurice G. Howard	Leonard W. Preston	Charles W. Wirsch
Robert N. Hubbard	Hobart Rayburn	—79

Resolved that the title thereof be as aforesaid.

Mr. Steers moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Smith moved that the House do now take up for immediate consideration from the Clerk's desk a bill of the following title, viz:

H. B. No. 55. AN ACT relating to the fee of court commissioners and receivers, amending Section 64.260 of the Kentucky Revised Statutes.

Said motion was agreed to.

(For bill see H.J. of today ante.)

Mr. Smith offered the following amendment to said bill, viz:

Amend printed copy of H. B. No. 55 on Page 2, Section 1, Line 31, by striking all of line 31 on page 2 of the printed bill and substitute in lieu therefor the following:

"For any amount above and in excess of $5,000.00, the commission on that amount shall be one (1) per cent."

Said amendment to said bill was agreed to.

Mr. Smith moved the Previous Question.

Whereupon, the Speaker announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Said bill was then passed as amended.

The yeas and nays being taken thereon in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmatve were—

Bernam Adams	Paul E. Hayes	Wm. T. Marshall
Edgar Arnett	John A. Head	Jack McPherron
Sidney Baer	William K. Henry	Alton Mitchell
Leonard T. Bean	E. R. Hilton	Emmett G. Moore
John D. Beatty	Ray Holbrook	Walter R. Moorman
R. O. Blevins	W. W. Hollan	Fred H. Morgan
Thomas L. Britton	Chester J. Holsclaw	C. S. Nabb
J. D. Buckman, Jr.	W. M. Horn, Jr.	Dr. C. E. Palmore
Charles W. Burnley	Richard R. Houpt	James H. Polsgrove
Alex Calvert	Maurice G. Howard	Hobart Rayburn
Stanley Carter	Robert N. Hubbard	W. R. Reasor
Paul Combs	Silas Jacobs	Carl J. Ruh
Josh R. Cosby	Paul S. Jonas	LeRoy Saylor
Owen Deering	Barkley Jones	Roy Searcy
G. I. Drury	James W. Lambert	Paul E. Shannon
R. C. Estepp, Sr.	Jesse H. Lawrence	James S. Shaw
Mitchell S. Fannin	Mrs. J. T. Linton	Gus Sheehan, Jr.
Henry C. Hale	Harry K. Lowman	Forest Smith
James P. Hanratty	True Mackey	Joseph T. Snapp
George F. Harris	Damon Majors	John M. Spaulding

J. Claude Stacy	M. G. Thompson	Morris Weintraub
Roy Steers	Rev. T. H. Tinsley	G. F. Williamson
Raymond D. Stigall	Ralph N. Walter	Charles W. Wirsch
Mrs. Thelma Stovall	Fred M. Warns	
W. R. Stringer	Harry Lee Waterfield	

—73

Those who voted in the negative were—

Edw. O. Bridgers	C. A. Hammons	Leonard W. Preston
Charles J. Bronston	A. L. (Chick) Love	Lyle H. Webb

—6

Resolved that the title thereof be as aforesaid.

Mr. Smith moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The Speaker vacated the Chair and designated Mr. Hubbard as Speaker Pro Tem, who presided.

REPORT OF COMMITTEE ON ENROLLMENT

Mr. Hollan of the Committee on Enrollment reported that they had examined and found to be correctly enrolled a bill of the following title, viz:

S. B. No. 21. AN ACT relating to advancements to sheriffs for expenses in counties containing a population of 75,000 or over.

Thereupon, all other business was suspended, said bill was read at length and compared in open session and found to be correctly enrolled, and thereupon, the Speaker Pro Tem, in open session and in the presence of the House affixed his signature thereto.

Ordered that said bill be delivered to the Enrolling Clerk of the Senate.

Mr. Williamson moved that the rules be suspended for the purpose of introducing bills.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Williamson introduced bills of the following titles, viz:

H. B. No. 220. AN ACT regulating the distance between motor trucks and semi-trailer trucks when operating upon a highway.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 189.340 (6) (b) of the Kentucky Revised Statues is hereby amended to read as follows:

(6) The operator of any motor truck or semi-trailer truck when traveling upon a highway outside of a business or residential district shall not follow within 250 feet of another motor truck or semi-trailer truck. This subsection shall not prevent overtaking and passing, nor shall it apply to any lane specially designated for use of motor trucks or semi-trailer trucks.

H. B. No. 221. AN ACT regulating the lights on vehicles; and defining words and phrases as used in Chapter 189 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 189.040 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) Motor vehicles shall have at least two lamps in front, showing white, or tinted other than red, and of sufficient power to reveal clearly substantial objects at least 350 feet ahead. Two-wheeled motorcycles need have only one such lamp. On all motor vehicles there shall also be a selective lowermost distribution of light, or composite beam, so aimed that:

(a) When the motor vehicle is not loaded, none of the high

intensity portion of the light which is directed to the left of the prolongation of the extreme left side of the vehicle shall, at a distance of twenty-five feet ahead, project higher than a level of ten inches below the level of the center of the lamp from which it comes.

(b) When the motor vehicle is not loaded, none of the high intensity portion of the light which is directed to the right of the prolongation of the extreme left side of the vehicle shall, at a distance of twenty-five feet ahead, project higher than a level of five inches below the center of the lamp from which it comes. It shall reveal objects one hundred feet ahead. Any light projected ahead or sidewise shall be so arranged or deflected that no glaring rays from it or from any reflector shall be at any time more than three and one-half feet above a plane at a distance of seventy-five feet or more ahead of the vehicle. In case of accident or emergency, motor vehicles may display lanterns or other lights of smaller power, but if the lights are insufficient to reveal clearly substantial objects at least seventy-five feet ahead, the vehicles shall not proceed at a rate of speed in excess of twenty miles per hour. No motor vehicle shall be sold unless the light projected by the headlights meets the requirements of this subsection at the time of sale.

(2) Headlights arranged to provide a single distribution of light not supplemented by auxiliary driving lights shall be permitted on motor vehicles manufactured and sold prior to May 30, 1939, in lieu of multiple-beam road lighting equipment, if the single distribution of light complies with the following requirements and limitations;

(a) The headlights shall be so aimed that when the vehicle is not loaded none of the high intensity portion of the light shall, at a distance of twenty-five feet ahead, project higher than a level of five inches below the level of the center of the light from which it comes, and in no case higher than forty-two inches above the level on which the vehicle stands, at a distance of seventy-five feet ahead.

(b) The intensity shall be sufficient to reveal persons and vehicles at a distance of at least two hundred feet.

(c) Whenever the operator of a motor vehicle approaches an oncoming vehicle within five hundred feet, he shall use a distribution of light or composite beam so aimed that the glaring rays are not projected into the eyes of the oncoming driver. In no case shall the high intensity portion which is projected to the left of the prolongation of the extreme left side of the vehicle be aimed higher than the center of the lamp from which it comes at a distance of twenty-five feet ahead, and in no case higher than a level of forty-two inches above the level upon which the vehicle stands at a distance of seventy-five feet ahead.

(3) If a city by ordinance designates certain well-lighted streets or parts of streets as being sufficiently illuminated during certain periods and provides that during such periods front lights may be of lesser power than is required by subsections (1) and (2), subsections (1)and (2) shall not apply.

(4) Flashing lights are prohibited on all motor vehicles, except as a means for indicating a right or left turn. This subsection shall not apply to authorized emergency vehicles and wreckers.

(5) No person shall drive or move any vehicle or equipment upon any highway with any lamp or device thereon displaying a red light visible from directly in front. This subsection shall not apply to authorized emergency vehicles.

(6) All wreckers when in use at the scene of a motor vehicle accident shall display at least one yellow flashing light clearly visible to all vehicles approaching the scene of the accident.

(7) Subsection (1) shall apply to bicycles except that they need have only one light in front which will reveal clearly substantial objects at least fifty feet ahead.

Section 2. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) As used in Chapter 189 the following words and phrases shall have the meanings respectively ascribed to them.

(a) "Authorized emergency vehicle" shall mean any police vehicle at all times or an ambulance and fire apparatus when operated in connection with an emergency.

(b) "Wrecker" shall mean a motor vehicle on which a wrecking crane and other equipment suitable for motor vehicle wrecker service has been permanently mounted.

H. B. No. 222. AN ACT relating to proceedings if an arrest be made without a warrant.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 46 of the Criminal Code of Practice is hereby amended to read as follows:

(1) If an arrest be made without a warrant, whether by a peace officer or private person, the defendant shall be forthwith carried before the most convenient magistrate of the county in which the arrest is made, and the grounds on which the arrest was made shall be stated to the magistrate; and if the offense for which the arrest was made be charged to have been committed in a different county from that in which the arrest was made, and the magistrate believe, from the statements made to him on oath, that there are sufficient grounds for an examination, he shall, by his written order, commit the defendant to a peace officer, to be conveyed by him before a magistrate of the county in which the offense is charged to have been committed; or, if the offense be a misdemeanor, the defendant may give bail before the magistrate for his appearance before the judge of the county court of the county in which the offense was committed, on a day to be named in the bail bond, or for his appearance before the court having jurisdiction to try the offense, on a day to be fixed by the magistrate.

(2) If the arrest without a warrant be for violation of any provision of Chapters 186, 187, 189 and 281 of the Kentucky Revised Statutes, the arresting officer may, instead of proceeding as in Subsection (1) of this Section, issue a citation requiring the defendant to appear before a magistrate of the county in which the offense occurred at a future time to be stated in the citation. In no event shall the citation state a time of appearance in excess of five days from date of arrest.

(3) Any person failing to obey a citation issued in accordance with Subsection (2) of this Section shall be guilty of a separate offense and shall be fined not less than ten dollars nor more than one hundred dollars.

H. B. No. 223. AN ACT providing signals to be used by the operators of vehicles in indicating intention to stop or turn.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 189.380 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) No person shall turn a vehicle from a direct course upon a highway unless and until such movement can be made with reasonable safety, and only after a clearly audible signal has been given by sounding the horn if any pedestrian shall be affected by the movement. No person shall so turn any vehicle without giving an appropriate signal in the manner hereinafter provided in the event any other vehicle may be affected by such movement.

(2) A signal of the intention to turn right or left shall be given continuously for not less than the last one hundred feet traveled by the vehicle before turning.

(3) No person shall stop or suddenly decrease the speed of a vehicle without first giving an appropriate signal in the manner provided herein to the operator of any vehicle immediately in the rear when there is opportunity to give such signal.

(4) All signals required herein shall be given either by means of the hand and arm or by a signal lamp or lamps or a mechanical signal device, except that the operator of a motor vehicle used for the transportation of persons for hire, the operator of a school bus, and the operator of any vehicle so constructed or loaded that a hand and arm signal would not be visible both to the front and rear of such vehicle must indicate an intention to turn by use of a signal lamp or lamps or mechanical signal device and must indicate an intention to stop or suddenly

decrease speed by illuminating at least one red or yellow light with the word "Stop" on it on the rear of the vehicle.

(5) All signals herein required given by hand and arm shall be given from the left side of the vehicle in the following manner, and such signals shall indicate as follows:

a. Left Turn—Hand and arm extended horizontally.

b. Right Turn—Hand and arm extended upward.

c. Stop or Decrease Speed – Hand and arm extended downward.

H. B. No. 224. AN ACT relating to the power of arrest of a peace officer.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 36 of the Criminal Code of Practice is hereby amended to read as follows:

A peace officer may make an arrest—

(1) In obedience to a warrant of arrest delivered to him.

(2) Without a warrant, when a public offense is committed in his presence, or when he has reasonable grounds for believing that the person arrested has commited a felony, or when he has received information by police radio, police bulletin, telephone, telegraph or otherwise from another peace officer of this State that a warrant for such arrest has been issued and is in possession of the peace officer from whom the information emanates.

(3) Officers may go out of county to arrest; when. That such peace officer with a warrant of arrest may cross a county line and proceed as far as two miles therefrom for the purpose of making the arrest in the adjoining county or counties; provided, that such peace officer, when in actual pursuit of an offender, may go so far as may be necessary for the purpose of making such arrest.

Ordered that said bills be printed and referred.

Mr. Maurice G. Howard moved that the rules be suspended for the purpose of making a motion.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Maurice G. Howard moved that the House convene at 10 o'clock, a.m., on January 8, 1950, for the purpose of hearing a program by the children of the Children's Home of Grove, Whitley County, Kentucky.

Said motion was agreed to.

Mr. Maurice G. Howard moved that the rules be suspended and the privilege of the floor extended to Mrs. Frank Eaton, Miss Mary May Wyman and the Reverend J. Abbott Dalton.

Said motion was unanimously agreed to.

The Speaker Pro Tem announced that the Speaker had referred H. B. No. 183 to the Committee on Cities of the Fourth Class.

Mr. Hanratty moved that the House do now adjourn to meet again at 1 o'clock, p.m., Thursday, February 2, 1950.

Said motion was agreed to.

And then the House adjourned.

THURSDAY, FEBRUARY 2, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by the Honorable T. Herbert Tinsley, a member of this body.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	Harold G. Helm	James H. Polsgrove
Edgar Arnett	William K. Henry	L. W. Preston
Sidney Baer	E. R. Hilton	W. R. Reasor
Clarence J. Barnum	Ray Holbrook	Carl J. Ruh
C. E. Baumgardner	Richard R. Houpt	Dr. Roy Sanders
Leonard T. Bean	Maurice G. Howard	LeRoy Saylor
John D. Beatty	Robert N. Hubbard	Roy Searcy
Fred Beshear	Silas Jacobs	Paul E. Shannon
L. E. Bradley	Paul S. Jonas	James S. Shaw
Edw. O. Bridgers	Barkley Jones	Gus Sheehan, Jr.
Thomas L. Britton	William Jones	Jesse H. Shelton
Charles J. Bronston	James W. Lambert	Forest Smith
J. D. Buckman, Jr.	Jesse H. Lawrence	Joseph T. Snapp
Charles W. Burnley	Mrs. J. T. Linton	John M. Spaulding
Alex Calvert	Homer E. Losey	Roy Steers
Stanley Carter	A. L. (Chick) Love	Raymond D. Stigall
Paul Combs	Harry K. Lowman	Mrs. Thelma Stovall
Josh R. Cosby	True Mackey	W. R. Stringer
B. H. Crider	Damon Majors	Egbert V. Taylor
Owen Deering	John Martin	M. G. Thompson
G. I. Drury	Wm. T. Marshall	Rev. T. H. Tinsley
Thomas R. Duncan	G. Lee McLain	Fred M. Warns
R. C. Estepp, Sr.	Jack McPherron	Harry Lee Waterfield
Mitchell S. Fannin	Alton Mitchell	Lyle H. Webb
Henry C. Hale	Archie R. Moore	Morris Weintraub
C. A. Hammons	Emmett G. Moore	Geo. F. Williamson
James P. Hanratty	Walter R. Moorman	Charles W. Wirsch
George F. Harris	Fred H. Morgan	
Paul E. Hayes	C. S. Nabb	Adron Doran, Speaker
John A. Head	Dr. C. E. Palmore	–85

Mr. McPherron moved that leaves of absence be granted to Mrs. Burnett and Messrs. Bill Adams, Blevins, Hollan, Holsclaw, Horn, Durham W. Howard, Runyan, Stacy and Walter.

Said motion was agreed to.

Mr. Harris moved that the reading of the Journal of the proceedings of Wednesday, February 1, 1950, be dispensed with and the same be approved.

Said motion was agreed to.

Mr. Polsgrove moved that the rules be suspended and the privilege of the floor extended to Mr. Harold L. Colburn.

Said motion was unanimously agreed to.

Mr. Maurice G. Howard moved that due to the high water in and around Frankfort, Kentucky, the seat of the Legislature be moved to Whitley County.

Without objection, said motion was withdrawn.

Mr. Steers moved that the rules be suspended and Sue Beck Walker be made an Honorary Page for the day.

Said motion was unanimously agreed to.

Mr. Steers moved that the rules be suspended and John Allen Hughes be made an Honorary Page for the day.

Said motion was unanimously agreed to.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed bills which originated in that body of the following title, viz:

S. B. No. 1. AN ACT relating to Fireworks.
Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. As used in this Act, "fireworks" means and includes any combustible or explosive composition, or any substance or combination of substances, or article, prepared for the purpose of producing a visible or audible effect by combustion, explosion, deflagration or detonation, and shall include but not limited to blank cartridges, toy pistols, toy cannons, toy canes or toy guns in which explosive are used, the type of balloons

which require fire underneath to propel the same, firecrackers, torpedoes, skyrockets, Roman candles, Daygo bombs, sparklers, or other fireworks of like construction and any fireworks containing any explosive or flammable compound, or any tablets or other device containing any explosive substance. The term "fireworks" shall NOT include toy pistols, toy canes, toy guns, or other devices in which paper caps containing twenty-five hundredths grains or less of explosive compound are used, providing they are so constructed that the hand cannot come in contact with the cap when in place for use, and toy pistol paper caps which contain less than twenty-hundredths grains of explosive mixture, the sale and use of which shall be permitted at all times.

Section 2. No person shall sell at retail, or offer, advertise or expose for sale at retail, or use or explode, any fireworks within this state; Provided, however, that in cities the chief of the fire department, or mayor or similar official where there is no fire department, and in counties outside of cities the county judge, shall have power to grant permits for supervised public displays of fireworks by municipalities, fair associations, amusement parks, and other organizations or groups of individuals. Every such display shall be handled by a competent operator to be approved by the public official by whom the permit is granted, and shall be of such character, and so located, discharged or fired as in the opinion of such official, after proper inspection, shall not be hazardous to property or endanger any person. Applications for permits shall be made in writing at least fifteen days in advance of the date of the display. After such privilege shall have been granted, sales, possession, use and distribution of fireworks for such display shall be lawful for that purpose only. No permit granted hereunder shall be transferable.

Section 3. No permit shall be issued under Section 2 of this Act unless the applicant shall give bond, deemed adequate by the official to whom application for the permit is made, in a sum not less than five hundred dollars, conditioned for the payment of all damages which may be caused thereby either to a person or to property by reason of the permitted display, and arising from any acts of the licensee, his agents, employes or subcontractors.

Section 4. Nothing in this act shall prevent the retail sale and use of explosive or signaling flares used in the course of ordinary business or industry, or shells or cartridges used as ammunition in firearms, or blank cartridges for a show or theatre, or for signal or ceremonial purposes in athletics or sports, or for use by military organizations, or the sale of any kind of fireworks provided the same are to be shipped by the seller directly out of the state.

Section 5. Any person violating the provisions of this Act, or who knowingly induces another, directly or indirectly, to violate the provisions of this Act, shall be fined not more than one hundred dollars, or imprisoned in the county jail for not more than twenty days, or both.

S. B. No. 20. AN ACT repealing Subsection 24 of Section 95.050 of Kentucky Revised Statutes, and to enact in lieu thereof new provisions relating to the time of holding Circuit Court in Lawrence and Johnson County, and when re-enacted will read as follows.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

24th Judicial District, Johnson County at Paintsville, on 3rd Monday in January; 3rd Monday in April, and 2nd Monday in September. 24 Judicial days each. Lawrence County at Louisa, 2nd Monday in March, 3rd Monday in June, and 4th Monday in October. 24 Judicial days each.

S. B. No. 24. AN ACT relating to alimony or divorce.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 76 of the Civil Code of Practice is amended to read as follows:

1. An action for alimony or divorce must be brought in

the county where the wife usually resides, if she has an actual residence in this State; if not, in the county of the husband's residence.

2. No wife, as plaintiff, may institute an action for divorce in the county in which she resides unless she has been an actual bona fide resident of the county for at least three consecutive months immediately prior thereto.

S. B. No. 41. AN ACT changing the classification of the City of Jamestown, in Russell County, and declaring an emergency.

Said bill is as follows, viz:

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Jamestown, in Russell County, is such as to justify its being assigned to the fifth class of cities;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The City of Jamestown, in Russell County, is transferred from the sixth class to the fifth class of cities.

Sec. 2. Whereas, the reclassification of the City of Jamestown is necessary in order to enable the city to qualify for and receive Federal aid for hospital construction, and to enable the city to finance needed improvements of its streets and sewers, all of which are essential to the public health and welfare of the state, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

S. B. No. 49. AN ACT changing the classification of the City of Richmond, in Madison County, and declaring an emergency to exist.

Said bill is as follows, viz:

WHEREAS, satisfactory information has been presented to.

the General Assembly that the population of the City of Richmond, in Madison County, is such as to justify its being assigned to the third class of cities.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. The City of Richmond, in Madison County, is transferred from the fourth to the third class of cities.

Sec. 2. WHEREAS, the reclassification of the City of Richmond, in Madison County, is necessary in order to enable the city to remove certain handicaps and limitations designed to apply only to cities having a lesser population, and

WHEREAS, such handicaps and limitations seriously interfere with the proper and efficient administration of the fiscal policies of Richmond to the detriment of the health and welfare of said city and of the state as a whole, and

WHEREAS, cities of the third class are enabled to take advantage of a better plan of federal financing of buildings and projects designed to improve the general welfare, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

S. B. No. 72. AN ACT changing the classification of the City of Cumberland in Harlan County.

Said bill is as follows, viz:

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Cumberland, in Harlan County, is such as to justify its being assigned to the fourth class of cities,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The City of Cumberland, in Harlan County, is transferred from the fifth to the fourth class of cities.

S. B. No. 75. AN ACT changing the classification of the City of Somerset, in Pulaski County.

Said bill is as follows, viz:

WHEREAS, satisfactory evidence has been presented to the General Assembly that the City of Somerset, in Pulaski County, is such as to justify its being assigned to the third class of cities,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The City of Somerset, in Pulaski County, is transferred from the fourth to the third class of cities.

Ordered that said bills be printed and referred.

Mr. Hanratty moved that when the House adjourns today it adjourn to meet again at 8 o'clock, p.m., Monday, February 6, 1950.

The yeas and nays being required thereon by Mr. Beatty and Mr. Houpt were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Alex Calvert	John A. Head
Edgar Arnett	Paul Combs	William K. Henry
Sidney Baer	Josh R. Cosby	E. R. Hilton
Clarence J. Barnum	B. H. Crider	Chester J. Holsclaw
C. E. Baumgardner	Owen Deering	W. M. Horn, Jr.
Leonard T. Bean	G. I. Drury	Richard R. Houpt
Fred Beshear	R. C. Estepp, Sr.	Paul S. Jonas
L. E. Bradley	Mitchell S. Fannin	Barkley Jones
Edw. O. Bridgers	C. A. Hammons	William Jones
Thomas L. Britton	James P. Hanratty	James W. Lambert
Charles J. Bronston	George F. Harris	Jesse H. Lawrence
J. D. Buckman, Jr.	Paul E. Hayes	Mrs. J. T. Linton

Harry K. Lowman	C. S. Nabb	Raymond D. Stigall
True Mackey	Dr. C. E. Palmore	W. R. Stringer
Damon Majors	W. R. Reasor	Egbert V. Taylor
John Martin	Carl J. Ruh	M. G. Thompson
Wm. T. Marshall	Roy Searcy	Fred M. Warns
G. Lee McLain	Paul E. Shannon	Lyle H. Webb
Jack McPherron	James S. Shaw	Geo. F. Williamson
Archie R. Moore	Gus Sheehan, Jr.	Charles W. Wirsch
Emmett G. Moore	Jesse H. Shelton	
Fred H. Morgan	Roy Steers	—64

Those who voted in the negative were—

John D. Beatty	Robert N. Hubbard	Dr. Roy Sanders
Charles W. Burnley	Homer E. Losey	Forest Smith
Stanley Carter	Alton Mitchell	Mrs. Thelma Stovall
Harold G. Helm	James H. Polsgrove	Harry L. Waterfield
M. G. Howard	Leonard W. Preston	Morris Weintraub
		—15

Mr. Ruh moved that should the House be in Session at 11 o'clock, a.m., Tuesday, February 7, 1950, they recess and assemble at the Goebel Monument for dedication ceremonies.

Said motion was agreed to.

Mr. McPherron moved that the rules be suspended and Stanley Chavin be made an Honorary Page for the day.

Said motion was unanimously agreed to.

Mr. Losey offered the following resolution, viz:

H. Res. A. WHEREAS, General Douglas McArthur in his infinite wisdom has seen fit to encourage a group of Japanese envoys to visit the United States to study democracy in action, and

WHEREAS, these said envoys are now in the United States viewing and studying various Legislatures, Councils and other groups, and

WHEREAS, it is the desire of the Kentucky House of Rep-

resentatives of the Commonwealth of Kentucky to promote good will and a better understanding of the functions of the government of our Republic;

NOW, THEREFORE, BE IT RESOLVED

That the House of Representatives of the General Assembly invite above envoys to view and observe this body in action at any Session they care to attend.

BE IT FURTHER RESOLVED that the Clerk of the House contact these envoys and so inform them of the action of this body.

Said resolution was adopted.

SENATE MESSAGE

A message was received from the Senate announcing that they had passed a bill which originated in that body of the following title, viz:

S. B. No. 27. AN ACT relating to the practice of dentistry.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 313.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the Kentucky State Board of Dental Examiners.

(2) Any person shall be regarded as "practicing dentistry" who is a manager, proprietor, operator or conductor of a place for performing dental operations or who, for a fee, salary or other reward paid or to be paid either to himself or to another person, performs or advertises to perform, dental operations of any kind, or who diagnoses or treats diseases or lesions of human

teeth or jaws, or attempts to correct malpositions thereof, or who diagnoses or treats disorders, or deficiencies of the oral cavity and adjacent associated structures, or who takes impressions of the human teeth or jaws, or shall construct, supply, reproduce or repair any prosthetic denture, bridge, artificial restoration, appliance or other structure to be used or worn as a substitute for natural teeth, except upon the order of prescription of a licensed dentist and constructed upon or by the use of casts or models made from an impression taken by a licensed dentist, or who shall advertise, offer, sell, or deliver any such substitute or the services rendered in the construction, reproduction, supply or repair thereof to any person other than a licensed dentist, or who places or adjusts such substitute in the oral cavity of another, or who uses the words "dentist," "dental surgeon," the letters "D. D. S.," or other letters or title in connection with his name, which in any way represents him as being engaged in the practice of dentistry.

(3) The term "manager," "proprietor," "operator" or "conductor" shall be deemed not to include any legitimate hospitals, state institutions or other similar organizations, but shall be deemed to include any person:

(a) Who employes licensed operators;

(b) Who places in the possession of licensed operators dental offices on the basis of a lease or any other agreement for compensation or profit for the use of such office or equipment; when such compensation is manifestly in excess of the reasonable rental value of such premises and equipment.

(c) Who makes any other arrangements whereby he derives profit, compensation or advantage through retaining the ownership or control of dental offices or necessary dental equipment by making the same available in any manner whatsoever for the use of licensed operators; provided, however, that the above shall not apply to bona fide sales of dental equipment secured by chattel mortgage.

(4) "Dental hygiene" shall mean the treatment of human teeth by removing therefrom calcerous deposits, and by removing accumulated accretion from directly beneath the free margin of the gums, and by polishing the exposed surface of the teeth,

and shall also mean the making of X-ray exposures of teeth and surrounding tissues; Provided that nothing in KRS 313.260 to 313.350 shall be so construed as to affect the practice of medicine or dentistry nor to prevent students of a dental college or university from practicing dental hygiene under supervision of their instructors.

(5) "Dental hygienist" shall mean any person who practices dental hygiene.

Sec. 2. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) The Kentucky State Board of Dental Examiners may maintain an action in equity to enjoin the practice of or attempt to practice dentistry without a license in violation of KRS 313.020.

(2) In case of a violation of any injunction granted under this section, the court, or a judge in vacation, may summarily try and punish the offender; and the court's or judge's discretion concerning the degree of punishment shall not be subject to the provisions of KRS 432.260. The proceedings shall be commenced by filing with the clerk of the court an affidavit, setting out the alleged facts constituting the violation, upon which the court or judge shall cause an order of arrest to issue. The trial may be had upon affidavit, but either party may at any stage of the proceedings demand the production and oral examination of the witnesses.

Sec. 3. Section 313.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who practices or attempts to practice dentistry without a license in violation of KRS 313.020 shall be fined $1,000 or imprisoned in the county jail for not more than thirty days, or both, for the first offense; and for each subsequent offense shall be fined $2,000 or imprisoned in the county jail for not more than sixty days, or both. Each day that a person, without a license, practices or attempts to practice dentistry shall constitute a separate offense.

(2) Any person who violates subsection (2) of KRS 313.040

shall be confined in the penitentiary not less than one nor more more than five years.

(3) Any person who violates KRS 313.230 shall be fined not less than twenty-five dollars nor more than fifty dollars for the first offense; and for each subsequent offense shall be fined not less than one hundred dollars nor more than two hundred and fifty dollars or imprisoned in the county jail for not less than thirty nor more than sixty days, or both.

(4) Any person who violates any provision of KRS 313.020 to 313.250 for which no specific penalty has been provided shall be fined not less than one hundred dollars nor more than five hundred dollars for the first offense; and for each subsequent offense shall be fined not less than one hundred dollars nor more than five hundred dollars or imprisoned in the county jail for not more than six months, or both. Each day that a person illegally holds himself out as practicing dentistry shall constitute a separate offense.

(5) Any person who violates any provision of KRS 313.260 to 313.350 shall be fined not more than fifty dollars or imprisoned in the county jail for not more than thirty days, or both.

Ordered that said bill be printed and referred.

Bills of the following titles were introduced, viz:

By Mr. Hubbard.

H. B. No. 225. AN ACT imposing a tax on the production of all types of clay used in manufacturing or for commercial purposes, and appropriating the revenue therefrom.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. No person shall operate a mine and or a deposit for the production of ball clay, fire brick clay, pottery clay or any other type of clay produced for use in manufacturing or for any commercial purpose unless he has obtained from the Department

of Revenue a permit to engage in the business of producing said types of clay. At the time of the issuance of the permit he shall pay to the State through the Department of Revenue, a tax of fifteen cents for each ton of the several types of clay for which the permit is issued. The permit shall authorize the production of as many tons as is named in the permit, and upon such number of tons being produced such person shall not further operate the mine and or deposit until he has obtained further permits for such additional tons as he desires to produce, and has paid the tax of fifteen cents for each ton of clay for which such further permits are issued.

Sec. 2. Clay shall be deemed to have been produced, the purpose of this Act, when it has been weighed at the mine and or deposit scales or if not so weighed when it has been placed in freight cars, trucks or other vehicles for shipment.

Sec. 3. The Department of Revenue shall have authority to promulgate such regulations as it may deem necessary for the enforcement of this Act and shall have the power, through its agents and representatives, to inspect the books, records and premises of all persons operating such mines and or deposits in this State.

Sec. 4. Any person who violates any of the provisions of Section 1 of this Act shall be fined not less than five hundred dollars nor more than one thousand dollars. Any person who produces clay as defined in this Act without first obtaining the permit required by Section I of this Act and paying the tax imposed by that section shall also be civilly liable for the taxes due and for a penalty of twenty per cent on the amount of the taxes due.

Sec. 5. The revenue derived from this Act shall be paid into the State Treasury, and the amount so paid in during each fiscal year is appropriated to the Common School Per Capita Fund for each such year, for the payment and increase of the monthly salaries of teachers and for no other purpose.

By Mr. Fannin.

H. B. No. 226. AN ACT relating to revenue and taxation;

increasing the rates of various taxes and appropriating the revenue derived therefrom.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Subsection (1) of Section 138.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) A tax shall be paid on the sale of cigarettes made of tobacco or any substitute for tobacco, of two cents on each ten cents or fractional part thereof of the retail selling price. This tax shall be paid only once, regardless of the number of times the cigarettes may be sold in this state.

Sec. 2. Section 138.510 of the Kentucky Revised Statutes is amended to read as follows:

An excise tax is imposed on every person, corporation or association which operates a running or trotting horse race track at which betting is conducted through a pari-mutuel or other similar system. The tax shall be an amount equal to ten percent of the total amount of all money deposited in pari-mutuel pools or similar pools (including any pool, such as a daily double pool, even though tickets sold for such a pool are not vended by a mechanical or electrical devise nor the totals of such pool computed and determined by a totalizator).

Sec. 3. Section 243.680 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall manufacture distilled spirits in this state unless he first obtains from the department a permit to engage in the business of manufacturing distilled spirits. At the time of the issuance of the permit he shall pay to the state a tax of ten cents for each proof gallon of distilled spirits for which the permit is issued.

(2) (a) No person shall ship or transport or cause to be shipped or transported into the state any distilled spirits from points without the state without first obtaining a permit from

the department and paying a tax of ten cents on each proof gallon contained in the shipment.

(b) No railroad company or express company shall receive for shipment or ship into this state any package or receptacle containing distilled spirits unless a copy of the permit, showing that payment of required taxes has been made, accompanies the shipment.

(c) The permit shall be in a form prescribed by the department, and all shipments into the state shall be governed by regulations promulgated by the department.

(d) A railroad or express company need not obtain a permit to transport distilled spirits, but shall be subject to all regulations of the department.

Sec. 4. Section 243.690 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall engage in the business of blending, rectifying or mixing distilled spirits, without obtaining from the department a permit to blend, rectify or mix distilled spirits. An excise tax of ten cents is imposed for each proof gallon of distilled spirits that has not borne the tax imposed by KRS 243.680 and which is used in said blending, rectifying or mixing.

(2) A person engaging in the business of blending, rectifying or mixing distilled spirits shall report on or before the tenth day of the succeeding month, in such form and stating such facts as may be prescribed by the department, the amount of distilled spirits blended, rectified or mixed during the preceding month. At the time of making the report, he shall pay the tax due under this section.

Sec. 5. Subsection (3) of Section 243.720 of the Kentucky Revised Statutes is amended to read as follows:

(3) There is levied upon the sale or distribution by sale or gift of malt beverages an excise tax of $3.00 on each barrel of thirty-one gallons and a proportional rate per gallon on malt beverages sold or distributed in any container of more or less than thirty-one gallons.

Sec. 6. The revenue derived from the taxes imposed by

KRS 138.140, 138.510, 243.680, 243.690, and subsection (3) of KRS 243.720 shall be credited to the General Expenditure Fund in the State Treasury; forty-eight percent of the revenue so received and credited during the fiscal years 1950-51 and 1951-52 is appropriated to the Common School Per Capita Fund for each of those fiscal years, for the payment and increase of the salaries of teachers, and two percent of the revenue so received and credited during those fiscal years is appropriated to the Teachers' Retirement Fund for each of those fiscal years. These appropriations are intended to be in addition to any other appropriations for such purposes.

By Mr. Tinsley.

H. B. No. 227. AN ACT to amend KRS 58.010, 58.020, 58.040 and 58.130 and relating to public projects and governmental agencies and their definitions and to their acquisition by, and to public project revenue bonds issuable by, governmental units, agencies and instrumentalities, with approval before such acquisition, and before issuance, and to funds usable for acquisition of projects and payment of bonds and to the investing in such bonds by banks and trust companies, insurance companies and building and loan associations and credit unions without statutory maximum.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. KRS 58.010 is amended to read as follows:

As used in KRS 58.010 to 58.140, unless the context requires otherwise:

(1) "Public project" means any lands, buildings or structures, works or facilities suitable for and intended for use as public property for public purposes or suitable for and intended for use in the promotion of the public health, public welfare or the conservation of natural resources, including the planning of any such lands, buildings, structures, works or facilities, and shall also include existing lands, buildings, structures, works and facili-

ties, as well as improvements or additions to any such lands, buildings, structures, works or facilities. Among structures and sites that are for public welfare and are public projects, as the latter two items are used herein, are factories, mills, processing or assembly plants, and warehouses or elevators, since their operation furnishes employment and promotes progress and prosperity.

(2) "Governmental agency" means the Commonwealth of Kentucky as such acting by or through any department, instrumentality or agency thereof, or any county, city, agency or instrumentality or other political subdivision of the Commonwealth, or agency, or instrumentality thereof; included in "instrumentality" is an appropriately formed and used Kentucky no-profit corporation.

Sec. 2. KRS 58.020 is amended to read as follows:

A governmental agency acting separately or jointly with one or more of any such agency, may acquire, contruct, maintain, add to and improve any public project as defined in KRS 58.010, which public project may be located within or without or partly within and partly without the territorial limits of such governmental agency or agencies and for the purpose of defraying the cost thereof may borrow money and issue negotiable revenue bonds. Before any department or agency of the state government, other than the State Property and Buildings Commission, shall borrow money and issue bonds under KRS 58.010 to 58.140, the head of the department or agency shall file with the Secretary of State a written order, approved by a board consisting of the Governor, the Lieutenant Governor, the Attorney General, the Commissioner of Revenue and Commissioner of Finance, or a majority of them, or approved by the State Property and Buildings Commission when required by law, setting forth the proposed public project, the amount of the bonds to be issued, and the maximum rate of interest the bonds are to bear. Any governmental agency other than agencies of the state government may borrow money and issue revenue bonds under KRS 58.010 to 58.140 pursuant to an order, resolution or ordinance of its legislative or administrative body, which order, resolution or ordinance shall set forth the proposed public project, the amount

of the revenue bonds to be issued and the maximum rate of interest. In every instance the order, resolution or ordinance shall provide that the public project is being undertaken under the provisions of KRS 58.010 to 58.140.

Sec. 3. KRS 58.040 is amended to read as follows:

Bonds issued pursuant to KRS 58.010 to 58.140 shall be negotiable. Neither the bonds nor their income shall be subject to taxation. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold in such manner and upon such terms as the governmental agency deems best, or any contract for the acquisition of a public project may provide that payment shall be made in such bonds. In no event shall any bonds be negotiated on a basis to yield more than six percent, except as provided in subsection (2) of KRS 58.030. The bonds shall be payable solely from the revenue derived from the public project and shall not constitute an indebtedness of the state, county, city or political subdivision within the meaning of the Constitution. It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 58.010 to 58.140 and that it does not constitute an indebtedness of the governmental agency within the meaning of the Constitution. In such bonds, banks and trust companies, insurance companies, building and loan associations, and credit unions, that are subject to the laws of this state, may invest their funds eligible for investment, and to such investments no statutory maximum shall apply.

Sec. 4. KRS 58.130 is amended to read as follows:

Any governmental agency may use, for the purpose of acquiring, constructing, maintaining, extending or improving a public project, or for the payment of interest or principal on any revenue bonds issued by the agency pursuant to KRS 58.010 to 58.140, any funds or tax revenues available for general purposes of the agency and not required by law to be devoted to some other purpose. This section does not apply to factories or mills

or processing or assembly plants, or warehouses or elevators, that are not public utilities, nor may they be acquired by condemnation.

By Mr. Hanratty.

H. B. No. 228. AN ACT relating to the licensing, inspection, and regulation of hospitals as herein defined, which includes, without limitation, hospitals, public health centers, nursing and convalescent homes and all institutions for the care of the sick.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Definitions. As in this Act:

(a) "Hospital" means a place devoted primarily to the maintenance and operation of facilities for the diagnosis, treatment, or care for not less than 24 hours in any week of two or more non-related individuals suffering from illness, disease, injury, or deformity, or a place devoted primarily to providing for not less than 24 hours in any week of obstetrical or other medical or nursing care for two or more non-related individuals. The term "Hospital" includes public health centers, nursing and convalescent homes and all institutions for the care of the sick.

(b) "Person" means any individual, firm, partnership, corporation, company, association, or joint stock association and the legal successor thereof.

(c) "Governmental Unit" means the State, or any county, municipality, or department, division, board or agency of any of the foregoing.

(d) "Licensing Agency" means the State Board of Health.

Sec. 2. Purpose.

The purpose of this Act is to provide for the development, establishment and enforcement of minimum standards for the care and treatment of individuals, and for the construction, maintenance and operation of hospitals which, in the light of

advancing knowledge, will promote the safe and adequate treatment of such individuals in hospitals.

Sec. 3. Application for license.

An application for a license shall be made to the Licensing Agency upon forms provided by it and shall contain such information as the Licensing Agency reasonably requires, which may include affirmative evidence of ability to comply with such reasonable standards, rules and regulations as are lawfully prescribed hereunder. Each application shall be accompanied by a license fee of $5.00.

Sec. 4. Issuance and renewal of license.

Upon receipt of an application for license and the license fee the Licensing Agency shall issue a license, if the applicant and the hospital facilities meet the requirements established under this law. Any hospital which is in operation at the time this Act becomes effective shall be licensed upon application and if it does not comply with the standards shall be given a period of two years in which to comply with the standards before action for the revocation or suspension of license may be instituted. Each license, unless sooner suspended or revoked, shall expire on June 30 following its issuance, and be renewable annually for a fee of $2.00 upon filing by the licensee and approval of the Licensing Agency, of an annual report upon such uniform dates and containing such information in such form as the Licensing Agency may reasonably require. Each license shall be issued only for the premises and persons or governmental units named in the application and shall not be transferrable or assignable without the written approval of the Licensing Agency. Licenses shall be posted in a conspicuous place on the licensed premises.

Sec. 5. Denial, suspension or revocation of license; hearings and review.

The Licensing Agency after notice and opportunity for hearing to the applicant or licensee is authorized to deny, suspend or revoke a license in any case in which it finds that

there has been a substantial failure to comply with the requirements established under this law, except as provided in Section 4.

Such notices shall be effected by registered mail, or by personal service, setting forth the particular reasons for the proposed action and fixing a date not less than 30 days from the date of such mailing or service, at which time the applicant or licensee shall be given an opportunity for a prompt and fair hearing. On the basis of any such hearing, or upon default of the applicant or licensee, the Licensing Agency shall make a determination specifying its findings of fact and conclusions of law. A copy of such determination shall be sent by registered mail or served personally upon the applicant or licensee. The decision revoking, suspending or denying the license or application shall become final thirty days after it is so mailed or served, unless the applicant or licensee, within such thirty day period, appeals the decision to the court, pursuant to Section 10 hereof.

The procedure governing hearings authorized by this Section shall be in accordance with rules promulgated by the Licensing Agency with the advice and approval of the Hospital Council.

Sec. 6. Minimum Standards.

(a) **Submission of Plans for New Construction or Alterations.**

Before construction is begun involving an expenditure of more than $15,000.00 for the construction of new buildings or additions or alterations to existing buildings or any change in facilities, for a hospital, the licensee shall submit plans to the Licensing Agency for approval.

No system of water supply, plumbing, sewage, garbage or refuse disposal for a hospital shall be installed nor any such existing system be materialy altered or extended until complete plans and specifications for the installation, alteration or extension, together with such information as may be required, have been submitted and approved by the State Department of Health in accordance with the sanitary codes in existing Kentucky statutes. Hospitals shall comply with all local zoning

regulations. They shall be so located as to be reasonably free from noises, smoke, foul odors or other disturbing or injurious nuisances.

(b) **Location and Communication.**

Hospitals shall be served by a good road which is kept passable at all times of the year. There must be one or more telephones or other communication system as may be needed in order to summon help promptly in case of fire or other emergencies.

(c) **Physical Plant.**

1. **Construction.** The construction of the building shall be such as to provide for the safety and protection of the patients and personnel. The building shall be kept in good repair as related to the comfort and safety of its occupants. The building shall comply with the rules, regulations, and standards of safety in accordance with existing Kentucky statutes governing fire and safety precautions. The building shall be so constructed and screened as to prevent the entrance of rats, flies, mosquitoes and other rodents and insects capable of transmitting disease. The walls, floors, and ceilings shall be of such a character to permit frequent washing, cleaning or painting and the maintenance of sanitary conditions. The building shall comply with all existing local building codes.

2. **Heating.** The hospital shall be provided with a heating system, capable of maintaining a minimum temperature of 68° F. at all times in the patient areas.

3. **Lighting.** Each patient's room shall have sufficient lighting for reading and all other uses as needed. All entrances hallways, stairways, inclines, ramps, cellars, attics, store rooms, kitchens, laundries and service units must have sufficient lighting to prevent accidents and to promote efficiency of service. Emergency lighting facilities must be provided and distributed so as to be readily available to personnel on duty. Flashlights or battery operated lamps shall be in readiness at all times for use in the delivery and operating rooms. At no time may open flame type of lights be used in these rooms.

4. **Ventilation.** The building shall be adequately ventilated at all times. Special attention shall be given to the ventilation of patient's quarters so as to supply fresh air and to prevent accumulation of objectionable odors. Toilets without outside window ventilation may not be used unless there is an adequate system of forced ventilation.

5. **Elevators and Stairways.** If elevators are provided they shall be maintained, checked and kept in good condition at all times. Stairways shall be provided with handrails. Stairways should be of a width and design which will easily accommodate removal of a patient by stretcher and should be enclosed with a vertical cut-off at each floor level.

(d) **Sanitation.**

(1) **Housekeeping.** Housekeeping facilities and services are required to be such that comfortable and sanitary living conditions for patients and employes are maintained constantly. Accumulated waste material must be removed daily. There must be frequent cleaning of floors, walls, woodwork and windows. The premises must be kept free from rodent and insect infestation. Bath and toilet facilities must be maintained in a clean and sanitary condition at all times.

2. **Water supply.** The water supply must be approved by the State Department of Health of Kentucky. There shall be an ample supply of hot water available at all times for general use.

3. **Sewage Disposal.** Sewers shall be discharged into a municipal sewerage system where such a system is available; otherwise, the sewage shall be collected, treated and disposed of in an independent sewerage system which complies with the standards approved by the sanitary codes of the State Department of Health of Kentucky and city regulations.

4. **Plumbing.** All plumbing, plumbing fixtures, sterilizers and other similar equipment shall be so constructed, installed and maintained as to prevent cross connections or other sanitary hazards, as required by the standards approved by the sanitary codes of the State Department of Health of Kentucky and ap-

plicable city regulations. A sanitary bath, toilet and lavatory must be provided on each floor where patients are cared for. Stationary handrails shall be provided for use of infirm patients in getting in and out of tub.

5. **Garbage Disposal.** Garbage must be kept in watertight metal containers with tight fitting covers. They must be emptied at frequent intervals and should be thoroughly scoured and aired before being used again. Infectious waste materials shall be burned on the premises. Other garbage may also be burned if no satisfactory garbage collection service is available. If burning is method used for disposal of garbage an approved incinerator must be available for that purpose. Wire baskets are not acceptable as they constitute a fire hazard.

6. **Laundry.** The institution shall make provision for the proper cleaning of linen and other washable goods with special provision for handling contaminated linen. Hospitals maintaining and operating laundries shall provide ventilation for the elimination of steam and odors and proper insulation to prevent the transmission of noises to patient areas.

(e) **Food Handling.**

1. **Preparing and Serving Food.** The patients must be served a sufficient amount of wholesome and nourishing food which must be clean, properly prepared, palatable, easily digestible and contain all essential constitutents of a well balanced diet. The equipment shall include such facilities as are needed to prepare hot, well balanced meals in sufficient quantity to serve as many patients as the institution accommodates. The method of serving food from kitchen to patient should be arranged to make food attractive and keep it hot.

2. **Refrigeration and Storerooms.** Refrigerators must be adequate to keep all perishable foods at a temperature below 50° F. All refrigerators shall be provided with thermometers. Storerooms should be so arranged that access to food supplies is convenient. The supplies must be protected against unnecessary handling, the invasion of rodents and insects, the seepage of dust, water leakage or other sources of contamination.

3. **Cleaning of Food Containers.** All food containers such

as drinking glasses, drinking cups, plates, saucers, knives, forks, spoons, dippers and other containers and utensils used in the dispensing, preparation or storage of food and drink must, following the last preceding use, be washed until visibly clean in warm water containing an ample quantity of detergent. After cleaning, all food containers must be rinsed with clear running water or immersed in a suitable receptacle containing clear water. All food containers, after cleaning and rinsing, must be disinfected by one of the following procedures;

> The food container shall be immersed in water at a temperature of not less than 180° F. for not less than one minute; or the food container shall be immersed in a solution containing not less than 100 parts per million available chlorine for one minute, or if immediately withdrawn from the solution, allowed to drain on a wire or corrugated metal rack for at least one minute; or disinfected by some other approved method. After the food containers are cleaned, rinsed, and disinfected, they must be stored in such a manner as not to become contaminated before being used. The results obtained with dishwashing machines shall be equal to those obtained by the method outlined above.

4. **Ice.** Ice that is used in direct contact with food and drink shall be obtained from sanitary sources and handled in a sanitary manner.

5. **Milk Supply.** The milk should be pasteurized. If pasteurized milk is available it shall be used. If not, the sources of supply and distribution must be approved by the State Department of Health of Kentucky.

6. **Handwashing Facilities.** Handwashing facilities shall be provided in a convenient location for kitchen workers. They shall be equipped with an adequate supply of soap, disposable towels and hot and cold running water. The use of the common towel is prohibited.

7. **Other Requirements.** The hospital shall comply with the existing laws, rules and regulations governing the handling of

food and food products in the State of Kentucky, except as outlined above.

(f) **Accommodations for Patients.**

1. **Room.** Each patient's room shall communicate directly with a corridor without passage through another patient area. Rooms extending below ground level shall not be used for patients unless they are dry, well ventilated and otherwise suitable for occupancy.

2. **Floor Space.** Beds must be spaced so as to provide adequate room for nursing procedures and to prevent the transmission of infection. Beds must be placed at least three feet apart.

3. **Furnishings.** Bed—A bed must be provided for each patient.

Bedding—A sufficient supply of clean bedding and bed linen shall be kept on hand for use at all times.

In addition to the bed, the patient unit should be provided with at least one chair and either a dresser or a compartment bedside table to accommodate the patient's personal possessions, such as toilet articles. After discharge of each patient the complete unit must be thoroughly cleaned, including all articles of equipment that have been used for the special care of that patient, and such articles as bedpan and thermometer must be disinfected.

4. **Signal System.** A system must be maintained for bed patients to use in calling nurses and attendants.

(g) **Facilities and Equipment for Care.**

1. **Space and Equipment for Special Services.** There shall be adequate space and facilities for the proper cleaning and storage of nursing supplies and equipment. This space should be removed from patient contacts and kept stocked and in order by a definitely arranged plan so that contents are easily available for use by the nursing staff. Suitable provision must be made for the preparation of medications and treatments.

(a) **Utility Rooms.** Utility rooms shall be adequately ventilated. They shall be conveniently located for efficient conduct of work. One or more bedpan hoppers shall be readily accessible to each patient area. The bathtub, lavatory or laundry tray shall not be used for cleaning bedpans.

(b) **Operating and Delivery Rooms.** If there are operating and delivery rooms, they shall be provided with adequate equipment to meet the requirements of the hospital both in quality and in quantity.

(c) **Drugs.** An adequate supply of essential drugs, biologicals and other medicinal agents shall be available at all times to meet the requirements of the hospital. They shall be stored in safe manner and kept properly labeled and accessible. Narcotics and other dangerous or poisonous drugs shall be handled in a safe manner to protect against their unauthorized use. The cabinet for drugs must be well illuminated. There shall be adequate refrigeration for biologicals and drugs which require refrigeration. The existing laws, rules and regulations governing drugs and poisons shall be complied with.

(d) **X-Ray Facilities.** If X-ray facilities are provided, there shall be ample space for the X-Ray equipment, film storage, view boxes and dark room equipment. Proper precautions to protect patients and hospital personnel against undue radiation shall be taken.

(e) **Laboratories.** If a laboratory is provided there shall be ample space, equipment and supplies to meet the requirements of the hospital.

(f) **Morgue.** A proper, well ventilated morgue with refrigerated compartments shall be provided if unembalmed bodies are held.

(g) **Sterilizing Room.** There shall be adequate facilities for sterilization of supplies and equipment to be used in the hospital.

2. **Equipment and Supplies for Bedside Care.**

(a) **Linen.** The following articles of linen must be provided: Large sheets, draw sheets, pillow slips, bedspreads, bath

towels, wash cloths, bedpan covers, hot water bottle covers, ice cap covers, face towels. Individual towels, wash cloths and bath blankets must be provided for each patient. Bedpan covers shall not be used interchangeably.

(b) **Utensils.** There shall be a sufficient number of wash basins, urinals, mouthwash cups and curved basins, covered water pitchers and drinking glasses, for the use of each patient. If the above equipment is sterilized after each using it need not be kept individual.

(c) **Thermometers.** There shall be a sufficient number of thermometers for either individual use or to permit adequate disinfection before using.

(d) **Hot water bags.** Hot water bags must be covered before placing in beds or on a patient. The greatest care must be exercised in their use to see that water is not too hot and bags are not leaking. (The water should not be over 120°F.) A bath thermometer shall be used to test water.

(e) **Other Equipment and Supplies.** There shall be an adequate supply of all equipment and supplies as required according to the needs of the hospital and the services it renders.

3. **Sterilization of Supplies.** There shall be provision for the proper sterilization of dressings, utensils, instruments and water. The hospital shall adopt a recognized method of checking sterilizer performance, such as the use of a fusing control in the largest package of each load or the bacteriological examination of sterilized dressings at frequent intervals. A cabinet, cupboard or other suitable enclosed space must be provided for keeping sterile equipment and supplies in a clean, convenient and orderly manner. Special precautions must be taken so that sterile supplies may not be mixed with unsterile supplies.

4. **Handwashing Facilities.** There shall be adequate handwashing facilities throughout the institution. Especially must they be provided for operating, delivery and labor rooms; in examining rooms and treatment rooms; in main and diet kitchens; in utility and other service rooms; in toilet rooms; in rooms used for isolation of patients; and in the nursery. Lavatories in

wards and patients' rooms must be installed, whenever possible. A sufficient supply of linen or paper towels shall be constantly available. Use of the common towel is prohibited.

(h) **Personnel and Policies.** All patients admitted to a hospital governed by this Act must be under the care of a person duly licensed to practice one of the healing arts recognized or permitted by the laws of the state of Kentucky. Sufficient personnel shall be maintained to insure the proper care of the patients. Nothing in this Act or the rules and regulations adopted pursuant thereto shall be construed as authorizing the supervision, regulation or control of the remedial care or treatment of the residents or patients in any hospital conducted for those who rely upon treatment by spiritual means in accordance with the creed or tenets of any well recognized church or religious denomination. Nothing in this Act or the rules and regulations adopted pursuant thereto shall be construed in any way to have the effect of denying a license to any hospital solely by reason of the type or system of practice of any of the healing arts which are recognized or permitted under the laws of the State of Kentucky.

(i) **Records and Reports.** Adequate and complete records shall be written for all patients admitted to the hospital. These records shall be filed in an orderly and accessible manner in the hospital. All orders of physicians should be written in ink or indelible pencil, and signed by a physician. Such orders shall be preserved on the patient's chart or in the established record of such orders.

(j) **Patient Care.** Every reasonable effort shall be made to provide the best possible care and treatment for the patients. Every reasonable effort shall be made to provide for their comfort and care as well as the actual treatment that is given. Accepted ethical principles of care and treatment shall be followed, and the entire hospital shall be operated in an acceptable and ethical manner in the public interest. The reporting of all births, deaths, reportable diseases and other vital statistics required by the State Department of Health under existing laws, rules and regulations shall be complied with.

(k) **Communicable Diseases.** All of the existing laws, rules

and regulations of the State Department of Health shall be complied with as related to the control of the spread of communicable diseases. If patients are accepted with communicable diseases, suitable isolation and quarantine facilities shall be provided. Every effort shall be made to prevent the spread of disease in the hospital and to prevent the spread of disease from patients in the hospital to persons outside the hospital. Every reasonable safeguard shall be provided for the maintaining and protection of the health of the personnel of the hospital.

Sec. 7. Hospital Council.

The Governor shall appoint a Hospital Council consisting of ten members as herein provided:

(a) Five physicians who are licensed to practice medicine in Kentucky, one of whom shall be the State Health Commissioner by virtue of his office who shall serve as chairman; one of whom shall be active in hospital administration; and three of whom are in active practice in Kentucky. At least one of the latter shall be from a city other than of the first, second or third class, and no two, excepting the State Commissioner of Health, shall reside in the same county of the Commonwealth of Kentucky.

(b) Three persons of recognized ability in the field of hospital administration who are actively associated with hospitals in Kentucky, and

(c) Two persons representing the public, each of whom shall be a member of a governing body of a hospital in Kentucky provided:

One of the above five members, under classes (b) and (c) shall reside in a city other than of the first, second, or third class, and no two of the five members shall reside in the same county of the Commonwealth of Kentucky.

The appointments shall be made from a list of three nominees for each vacancy submitted by the Kentucky State Medical Association for those in class (a) and by the Kentucky Hospital Association for those in classes (b) and (c). Members of the Hospital Council, except its chairman, shall be appointed for terms

of three years except that the initial council shall determine by lot which three members, one of class (a), one of class (b), and one of class (c), shall serve for one year; which three members, one of class (a), one of class (b), and one of class (c) shall serve for two years; and which three members, two of class (a) and one of class (b) shall serve for three years. Members whose terms expire shall hold office until the appointment of their successors. In the event of a vacancy occurring before the expiration of a member's term the appointment shall be for the unexpired term. The Council shall not meet less than once each year and shall meet additionally upon the call of the chairman or at the request of any four members. Members of the Hospital Council shall serve without compensation but shall be reimbursed for necessary travel and subsistence expense incurred in performance of their duties.

Sec. 8. Functions of the Licensing Agency.

It shall be the duty of the Licensing Agency with the aid and approval of the Hospital Council to make rules and regulations governing the administration and enforcement of this Act and to employ such inspectors, clerks and other personnel as is necessary to the proper administration of the Act. The licensing agency shall, through its authorized agent or agents, have full and free access to the required records, grounds, and buildings of every institution licensed or who has applied for license under this Act.

Sec. 9. Information Confidential.

Information received by the Licensing Agency through its filed reports, inspection, or as otherwise authorized under this law shall not be disclosed publicly in such a manner as to identify individuals or hospitals except in a proceeding involving the question of licensure.

Sec. 10. Judicial Review.

Any applicant or licensee, or the State acting through the Attorney General, aggrieved by a determination of the Licensing Agency after a hearing, may, within 30 days after the mailing

or serving of a notice of the decision as provided in Section 5, file a notice of appeal in the Franklin Circuit Court. Pending final disposition of the matter the status quo of the applicant or licensee shall be preserved except as the court otherwise orders in the public interest.

Sec. 11. No person or governmental unit shall operate or conduct a hospital without having a license under this Act.

Sec. 12. Penalties.

Any person or governmental unit establishing, conducting, managing, or operating any hospital without a license under this law shall be guilty of a misdemeanor and upon conviction shall be fined not less than $10.00 nor more than $20.00. Each day of violation of any of the provisions of this Act shall be considered a separate offense.

Sec. 13. Injunction.

Notwithstanding the existence or pursuit of any other remedy, the Licensing Agency may in the manner provided by law, upon the advice of the Attorney General who shall represent the Licensing Agency in the proceedings, maintain an action in the name of the State for injunction or other process against any person or governmental unit to restrain or prevent the establishment, conduct, management or operation of a hospital without a license under this law.

Sec. 14. Appropriation.

There is hereby appropriated to the State Board of Health out of the General Expenditure Fund in the State Treasury, the sum of $15,000 each year for each of the fiscal years 1950-51 and 1951-52.

Sec. 15. Effective Date.

This Act shall become effective on July 1, 1950.

By Messrs. Stigall and Thompson.

H. B. No. 229. AN ACT relating to registration and purgation boards.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 117.420 of the Kentucky Revised Statutes is amended to read as follows:

(1) Members of county boards of registration and purgation, except members of the board of a county containing a city of the first class, shall receive five dollars per day for each day they are in session to be paid by the fiscal court. The board shall meet for not more than thirty days in each year and no meeting shall be held while the registration books are closed or within ten days prior to the day on which the registration books are to be closed. The board shall hold all of its meetings at the courthouse unless it is necessary that it hold meetings at some other place in the county, but no meeting shall be held at any other place in the county, unless the persons affected by the meeting are given written notice of its time and place.

(2) Members of the board of registration and purgation of a county containing a city of the first class shall receive $1,200 per annum, to be paid by the fiscal court in monthly installments. The board will meet at any time necessary to perform its duties, and shall remain in session for the purpose of hearing challenges continuously from the date that the registration books are closed before any primary or regular elections. All meetings shall be held at the courthouse unless it is necessary to hold meetings at some other place in the county, but no meeting shall be held at any other place in the county unless the persons affected by the meeting are given written notice of its time and place.

Sec. 2. Section 117.440 of the Kentucky Revised Statutes is amended to read as follows:

The county boards of registration and purgation may examine the registration lists and registration books in the county clerk's office, and in the office of the board of registration commissioners in cities of the first class, as often as they deem ad-

visable, for the purpose of removing from the lists or books the names of persons who have, since the date of their registration, died, moved or otherwise become disqualified to vote. If a county board of registration and purgation, upon investigation, has reasonable grounds to believe that there are names upon the registration lists or books of persons who have died, moved, or otherwise become disqualified to participate in any regular, special or primary election, the board shall prepare a list of such names. When the board challenges the registration of any voter, it shall immediately notify the voter in writing at his place of residence shown upon the registration list or book that his right to vote in the regular, special or primary election has been challenged and that his name will be stricken from the registration list or book unless he appears before the board within five days and shows cause why his name should not be stricken. If the voter appears and desires to be heard upon the challenge, the board shall hear and determine whether or not the name of the voter should remain upon the registration lists or books, and no name shall be stricken from the registration lists or books until the voter has been given an opportunity to be heard. If the board determines that the voter is legally registered, his name shall remain upon the registration lists or books. If after a hearing the board determines that the name of the voter is illegally or improperly upon the lists or books, it shall enter an order directing the county clerk or board of registration commissioners to strike the name of the voter therefrom. If, after the service of notice upon the voter, he fails to appear before the board and contest the challenge, it shall be prima facie evidence that his name illegally or improperly appears upon the registration lists or books, and the board without further hearing shall strike his name therefrom. The notice provided for in this section may be served by any officer authorized to serve process from any court, or by special process servers selected by the board as provided in KRS 117.430. After completing its purgation of the registration lists of a county, the board shall notify the county clerk of all names purged by it.

Sec. 3. Sections 117.425, 117.460, 117.470, 117.480, 117.490 of the Kentucky Revised Statutes are repealed.

By Mr. Searcy.

H. B. No. 230. AN ACT relating to teachers' retirement.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 161.520 of the Kentucky Revised Statutes is amended to read as follows:

(1) Membership in the retirement system shall be terminated:

(a) By retirement for disability or superannuation;

(b) By death;

(c) By withdrawal;

(d) When a teacher who is absent from service withdraws his deposits in the fund; or

(e) When a teacher is absent from service three out of six consecutive years, unless the board of trustees in accordance with its rules and regulations grants a longer period, not in excess of six years, of absence from active service as a teacher without the loss of his status as a members.

(2) Prior-service rights shall be forfeited upon withdrawal, and if the teacher again enters the service it shall be as a new teacher, except that any teacher who withdraws by claiming his deposits may, before he is absent from service six school years, repay to the system the sums he received from it upon his withdrawal with regular interest and thus reestablish his prior-service rights.

By Dr. Sanders.

H. B. No. 231. AN ACT relating to the purgation of voters.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Sections 117.330; 117.340; 117.350; 117.360; 117.370; 117.380; 117.390; 117.400; 117.410; 117.420; 117.425;

117.430; 117.440; 117.450; 117.460; 117.470; 117.480; 117.490; 117.500; 117.510; 117.520; 117.540; 117.541; 117.542; 117.543; 117.544; 117.545; 117.550; 117.560; 117.570; 117.580; 117.590; and 117.990 of Kentucky Revised Statutes are repealed.

Section 2. Section 117.330 of the Kentucky Revised Statutes is re-enacted to read as follows:

Definition of "voter": The word "voter" whenever used in KRS 117.050 to and including section 117.370 includes all names contained in any registration list, whether the voter is illegal or legal voter and regardless of whether the voter is a man or a woman.

Section 3. Section 117.335 of the Kentucky Revised Statutes is created to read as follows:

Precinct boards of registration and purgation; their appointment; qualifications; removal and term of office:

The County Executive Committee of each political party in each county, having representation upon the State Board of Election Commissioners, shall not later than the 30th day of April 1950 appoint one member of the precinct registration and purgation board for each election precinct in said county, and the third member of each precinct board shall be appointed not later than the 30th day of April 1950 by the Election Commissioners in each county, irrespective of political party affiliation. Each of the precinct registration and purgation board members shall be at least twenty-one years of age, shall reside in the precinct of his appointment, and shall possess all of the qualifications of a legal voter. The appointing body may remove any member of the precinct board it has appointed, for any cause. All members of the precinct board appointed on or before April 30, 1950 shall serve for a term of four years unless removed prior thereto; shall be eligible for reappointment; subsequent precinct board members shall be appointed every four years for a term of four years beginning with April 30th, 1954.

Section 4. Section 117.340 of the Kentucky Revised Statutes is re-enacted to read as follows:

Certificate of appointment and oath of precinct board mem-

bers; The members of each precinct registration and purgation board shall receive a certificate of his appointment from the appointing body signed by the chairman and one other member of said body; shall before entry upon their duties, present said certificate to some officer authorized to administer oaths, and before said officer make oath of their office of such precinct board members.

Section 5. Section 117.345 of the Kentucky Revised Statutes is created to read as follows:

General duties of precinct boards; officers:

The precinct boards of registration and purgation in their respective precincts shall administer the provisions of this Act. Each board may adopt such reasonable rules and regulations as are necessary to carry out the duties herein set out. At the first meeting after their appointment each precinct board shall select one of their members as chairman and another as secretary; the chairman and secretary shall not belong to the same one of the two political parties having representation upon the State Board of Election Commissioners; the chairman of the Board shall preside over all meetings.

Section 6. Section 117.350 of the Kentucky Revised Statutes is re-enacted to read as follows:

Compensation of precinct board members; time and place of meetings.

Members of the precinct registration and purgation boards shall receive compensation at the same rate per day as now allowed or that may be allowed at the time to election officers, but the number of days for which pay shall be allowed shall not exceed ten (10) per year within the year in which they are required to meet, or not to exceed a total of 20 days for each four year term. The first meeting of the precinct board in each precinct in the State shall be at or near the regular polling place within the precinct on the first Saturday following the first day of June, 1950, beginning at the hour of 9:00 o'clock a. m. at which time each precinct board shall appoint officers, prepare notices, and do all other business incidental to entry upon their duties. At

the close of meetings following completion of their duties pertaining to purgation of voters in the year 1950, each precinct board shall re-assemble, organize, and perform its duties as set out in this Act every other year on even-numbered year upon the first Saturday following the 1st day of June in each subsequent even-numbered year and remain in session for such number of days, although not consecutively, as may be required to complete its duties, so long as the number of days of such meetings do not exceed 10 within any one year.

Section 7. Section 117.355 of the Kentucky Revised Statutes is created to read as follows:

Supplies, lists of voters, payment.

Each precinct board of registration and purgation may purchase such supplies as actually necessary to enable it to perform its duties under this Act and payment therefor shall be allowed by the Fiscal Court of each respective county upon submission of an itemized statement therefor duly signed by the chairman and secretary of the precinct board. The County Court Clerk shall furnish each precinct board, upon request of any member, a copy of list of all registered voters in said precinct as shown by his registration books, without cost, such lists to be furnished immediately prior to the bi-annual meeting of said precinct board.

Section 8. Section 117.360 of the Kentucky Revised Statutes is re-enacted to read as follows:

Procedure for purgation by precinct board; notice and hearing.

Upon the first day of the meeting of the precinct registration and purgation board as required in this Act under KRS Section 117.350, it shall cause notices to be posted in at least ten prominent places within the precinct on said day stating thereon that said Board will hold its second day's meeting on the following Saturday, beginning at the hour of 9 A.M. o'clock, at a designated place in the precinct, for the purpose of hearings, and other necessary business in connection with the purgation of the entire precinct, and will continue sessions daily thereafter until its

work is completed, as required by this Act. After the publication and posting of said notices the precinct board will re-convene at the time and place shown therein upon the following Saturday and will proceed with all dispatch to determine from personal knowledge and information the names of any and all registered voters in said precinct whose names should be purged; that upon any complaint or question be presented as to the legality of any registered voter, said board will cause a notice to be mailed to the last known address of said voter to appear within five (5) days thereafter before said board and show cause why his registration should not be purged, and upon a failure to so appear within the time fixed, the registration of such voter shall be cancelled by the board. The Board may in its discretion adjourn its meetings for any reasonable time to enable it to comply with the requirements of this Act. Upon request of any registered voter for a hearing upon the question of his registration, the Board shall grant such hearing in a summary manner; may reasonably limit the number of witnesses; shall make a determination of the legality of such registration.

Section 9. Section 117.365 of the Kentucky Revised Statutes is created to read as follows:

Decision of precinct purgation board; appeal.

If the precinct purgation board finds that any voter who has been challenged is not properly and legally registered, his registration shall thereupon be canceled by it. If it finds that he is properly and legally registered nothing further shall be done with his name. Any voter feeling himself aggrieved by the ruling of the precinct board may appeal such ruling to the County Court; such appeal may be taken by the filing of a written statement of the act of the board complained of and the grounds of the complaint. Before any such appeal is taken, written notice must be served upon the Chairman of the precinct board complained of, stating the time and place at which the appeal will be presented, the grounds therefor; such notice to give reasonable time for the precinct board to be present.

Section 10. Section 117.370 of the Kentucky Revised Statutes is re-enacted to read as follows:

Report by Precinct board to County Court Clerk.

Immediately after the completion of its work bi-annually, each precinct purgation board shall furnish the County Court Clerk with an accurate list of the voters names who have been purged by it, and the clerk shall strike those names from the registration lists and records and they shall not be included in subsequent lists of voters in said precinct furnished to precinct election officers unless the action of the precinct purgation board has been set aside by an appeal to the County Court.

Section 11. Section 117.375 of the Kentucky Revised Statutes is created to read as follows:

Fees of county clerk in connection with purgation.

The county clerk is entitled, for all services with relation to purging of the registration herein mentioned, to a fee of five cents for each name ordered stricken off or canceled as provided in KRS 117.370.

Section 12. Section 117.990 of the Kentucky Revised Statutes is re-enacted to read as follows:

Penalties.

Any person who willfully fails or refuses to perform any of his duties set forth in KRS 117.335; 117.340; 117.345; 117.350; 117.355; 117.360; 117.365; and 117.370 shall be fined not less than one hundred dollars nor more than five hundred dollars, or confined in the county jail for not less than thirty nor more than 180 days, or both so fined and sentenced to jail, in the discretion of the jury or court for each offense; that each day of refusal or failure to serve or carry out the duties as prescribed under this Act shall constitute a separate offense.

Section 13. All laws or parts of laws inconsistent with the provisions of this Act are hereby repealed to the extent of such conflict.

Section 14. The provisions of this Act shall be severable, and if any section, subsection, paragraph, sentence, or clause of

this Act is held invalid or unconstitutional such decision shall not affect the remaining portions of this Act.

H. B. No. 232. AN ACT relating to deputy constables, amending section 70.370 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 70.320 of the Kentucky Revised Statutes is amended to read as follows:

(1) A constable may appoint one deputy, by and with the consent of the county judge, for each one thousand, or fractional part thereof, legal voters in the district from which he is elected. The constable and his surety shall be liable on his bond for all the Acts and omissions of the deputies. Deputy constables must be residents of the same district as the constable by whom they are appointed.

(2) Deputy constables may be removed at any time, for any cause deemed sufficient by the constable, by order of the county court, entered after the filing of a written direction by the constable.

(3) In counties containing a population of over two hundred and fifty thousand, each deputy constable appointed by the constable shall be exclusively compensated for the performance of the duties of his office by a salary of twenty-one hundred dollars per annum and paid in equal monthly installments out of the county treasury.

By Messrs. Helm and Webb.

H. B. No. 233. AN ACT relating to fees of circuit clerks.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 64.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) Circuit clerks shall be paid out of the State Treasury for the following services the following fees:

Certified list of grand or petit jurors to the sheriff or other officer	$0.25
Filing same when returned by sheriff, and writing names of jurors on slips of paper	.25
Order excusing juror, for each juror excused, except regular panel	.25
Noting names of standing jurors on order book	.25
Order for sheriff or other officer to summon other jurors, each order	.10
Noting on order book the allowance to grand or petit jurors, each	.02
Order appointing and swearing jury commissioners	.25
Furnishing to jury commissioners names of persons exempted from service	.25
Recording receipt of envelope of sealed return of jury commissioner, and the oath of clerk and deputy	.25
In Commonwealth cases, in addition to other fees, ten percent of all fines and forfeitures recovered in their respective courts and paid into the State Treasury.	
In inquests on persons alleged to be feeble-minded, lunatics or pauper idiots	$2.50

(2) (a) Circuit clerks shall be paid twenty dollars out of the State Treasury for services rendered for the Commonwealth in each prosecution for felony in their respective courts. A verified statement of such services must first be made out by the clerk and endorsed "Examined and approved" by the regular judge and Commonwealth's attorney, and filed with the Department of Finance after the case has been taken from the docket of the court. In all cases of conviction for a felony the herein allowed shall be taxed against the defendant as costs in favor of the Commonwealth.

(b) If a felony indictment is quashed or dismissed with

leave granted to resubmit the charge to a grand jury, and a subsequent indictment is returned for the same crime, or any degree thereof consisting of a felony, the prosecution shall be deemed a continuous one for the purposes expressed in this subsection; but if no indictment is procured or returned upon resubmission before the expiration of the term after the term reciting the order of resubmission, the clerk shall then receive a fee of ten dollars.

(3) When the Commonwealth appeals from a judgment in a felony case, the circuit clerk shall be paid five dollars, in the same manner stated in subsection (2) (a) of this section, for making out and certifying a transcript for the appeal.

Sec. 2. Section 28.180 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each circuit clerk shall pay to each juror the compensation allowed him by law, under appropriations provided by the General Assembly and in accordance with the procedure governing expenditures from appropriations. He shall take a receipt for each payment made by him showing the date on which payment is made. For the purpose of providing for such payments the State Treasurer, on direction of the Department of Finance, shall advance to each circuit clerk an imprest fund sufficient for the payments for a period of ten days.

(2) The circuit clerk shall be allowed ten percent of all funds forwarded to the State Treasury under KRS 28.170, and an amount equal to ten percent of the funds disbursed by him to jurors under this section.

By Mr. Losey.

H. B. No. 234. AN ACT relating to elections, including provisions relating to registration and purgation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 117.390 of the Kentucky Revised Statutes is amended to read as follows:

The county board of election commissioners of each county shall, on January 1 of each year, appoint a county board of registration for the ensuing year. The county board of registration and purgation shall consist of three members, of whom not more than two shall belong to the same political party. Each of the members shall be at least twenty-one years of age, shall reside in the county of his appointment, and shall possess all of the qualifications of a legal voter. The county board of election commissioners may remove any member of the county board of registration and purgation for any cause.

Sec. 2. Section 117.400 of the Kentucky Revised Statutes is amended to read as follows:

(1) The members of each county board of registration and purgation shall receive a certificate of appointment signed by the chairman and attested by the secretary of the county board of election commissioners. The certificate of appointment shall be presented by the members to the county clerk of the county of their appointment, who shall administer the oath of office to them. Each of the members shall execute a bond in the sum of one thousand dollars for the faithful performance of his duties.

(2) The members of each county board of registration and purgation, when appointed and qualified, shall meet and select one of their members as chairman and one of their members as secretary. The chairman and the secretary shall not belong to the same political party. The chairman of the board shall preside over all meetings.

Sec. 3. Section 117.420 of the Kentucky Revised Statutes is amended to read as follows:

Members of county boards of registration and purgation shall receive eight dollars each per day, to be paid by the county, except in counties containing cities of the first class, in which counties each member shall receive twelve

hundred dollars per annum, to be paid by the county in monthly installments. In counties that do not have a city of the first class, the board shall meet and receive compensation for not more than fifteen days in 1950, and for not more than ten days in any succeeding year; the meetings may be held at such time as the board shall determine, without regard to whether the registration books are open or closed at the time. In counties having a city of the first class, the board may meet at any time necessary to perform its duties, and shall remain in session for the purpose of hearing challenges continuously from the date that the registration books are closed before any primary or regular election. In all counties the board shall hold all of its meetings at the courthouse unless it is necessary that it hold meetings at some other place in the county, but no meeting shall be held at any other place in the county unless the persons affected by the meeting are given written notice of its time and place.

Sec. 4. Section 117.425 of the Kentucky Revised Statutes is repealed.

Sec. 5. A new section of the statutes is created, to read as follows:

The county board of election commissioners may appoint, for such precincts as it deems necessary, within a city of the fourth class or larger, two persons to perform the duty at primary election, of recommending purgations in the manner provided in KRS 117.542. The persons so appointed for any precinct shall not be of the same political party and they shall be persons other than the election officers for the precinct. They shall receive the same rate of compensation as the precinct election officers. They shall, in place of judges of election, perform the duties imposed upon judges of election by the provisions of KRS 117.542, and the proceedings thereafter shall be the same as provided in KRS 117.544 and 117.545.

Sec. 6. A new section of the Kentucky Revised Statutes is created, to read as follows:

In any case where the county court clerk is required by law to mail to a voter a notice of his proposed purgation or the cancellation of his registration, the county court clerk shall be reimbursed by the county for the actual cost of mailing the notice.

Sec. 7. A new section of the Kentucky Revised Statutes is created, to read as follows:

Any person not owning real estate may file with the county court clerk of the county in which he resides a sworn statement that he does not own any real estate and that he intends and desires to make a designated precinct in the county in which he resides his legal voting precinct, and if such person is otherwise a qualified voter he shall thereafter be deemed to be a legal voter of such precinct. A statement so filed shall remain effective for a period of two years, and may be renewed thereafter for successive two-year periods.

By Mr. McPherron.

H. B. No. 235. AN ACT relating to revenue and taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act, unless the context requires otherwise;

(1) "Bottled soft drink" includes any and all beverages, whether carbonated or not, such as soda water, ginger ale, nu-grape, coca-cola, lime-cola, pepsi-cola, Dr. Pepper, fruit juice, milk drinks when any flavoring or syrup is added, cider, cordial, carbonated water, or any and all preparations commonly referred to as soft drinks of whatsoever kind and description which are closed or sealed in glass, metal, paper or any other type of bottle or container. Soft drinks further include any and all beverages commonly referred to as soft drinks which are manufactured without the use of any syrup. However, the provisions

of this Act shall not apply to unadulterated fruit juices in original state.

(2) "Crown" means the bottle cap by the use of which the tax levied hereunder is paid if so authorized by the Department of Revenue.

Sec. 2. A tax shall be paid on the sale of bottled soft drinks of one cent on each five cents or fractional part thereof of the retail selling price. This tax shall be paid only once, regardless of the number of times the bottled soft drinks may be sold in this state.

Sec. 3. The tax imposed by section 2 of this Act shall be paid, collected, administered and enforced in the manner provided for the cigarette tax in KRS 138.130 to 138.200 and those sections, as far as applicable, shall apply to the tax imposed by section 2 of this Act.

Sec. 4. For the purpose of collecting the tax provided by section 2 of this Act the Department of Revenue may provide for the use of crowns instead of stamps on all bottled soft drinks.

Sec. 5. Any person who violates this Act or any of the provisions of KRS 138.130 to 138.200 as they are made applicable for the purposes of this Act, or who violates any rule or regulation of the Department of Revenue made thereunder, shall be subject to the penalties prescribed in subsections (4), (5) and (6) of KRS 138.990.

Sec. 6. Ninety-six percent of the revenue received under the provisions of this Act during the fiscal years of 1950-51 and 1951-52 is hereby appropriated to the Common School Per Capita Fund for those fiscal years, and the remaining four percent of the revenue is hereby appropriated to the Teachers' Retirement Fund for those fiscal years.

By Mr. Duncan.

H. B. No. 236. AN ACT to amend Chapter 150 of the Kentucky Revised Statutes of 1948, to abolish the Division of Game

and Fish, to provide for the establishment of a Department of Fish and Wild Life Resources and to provide for the conservation of wild animals, wild birds, fish and amphibians.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 150.010 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Angling" means the taking of fish by hook and line in hand, rod in hand, set line or trout-line, but does not include the use of grabbling hooks, gang hooks, snag lines, gigs, or nets of any kind.

(2) "Buy" includes offering to buy, acquiring or possessing through purchase, barter, exchange or trade.

(3) "Commission" means the Fish and Wild Life Resources Commission.

(4) "Commissioner" means the Commissioner of the Department of Fish and Wild Life Resources.

(5) "Device" means any article, instrument or equipment of whatever nature or kind which may be used to take wild animals, wild birds or fish.

(6) "Department" means the Department of Fish and Wild Life Resources.

(7) "Grabbling" means the taking of fish by hooking, snatching or snagging by the use of one or more single or multi-barbed hooks on either a hand or pole line.

(8) "Gigging" means the taking of fish by spearing or empaling on any pronged or barbed instrument attached to the end of a rigid pole.

(9) "Impounded waters" means any public waters backed up by a dam constructed and used for hydroelectric purposes or for the purpose of flood control.

(10) "Navigable waters" means any waters within this state under lock and dam.

(11) "Non-Resident" means a person who has not resided in this state for one year prior to his application for a license.

(12) "Noodling" or "tickling" means the taking of fish from any stream or body of water by hand and without the use of any artificial device.

(13) "Minnows" means all fish under six inches in length, except bass (large and small mouth and Kentucky), rock bass or goggle-eye, trout, crappie, jack salmon, walleye pike or striped bass, sand pike or sauger or muskellunge.

(14) "Public waters" means all waters within the state flowing in a natural channel stream.

(15) "Raw Fur" means a hide, fur or pelt of a fur bearing animal which has not been processed by an established commercial processor. Skinning, stretching, oiling or coloring by the person who took the animal shall not be considered as processing.

(16) "Resident" means any person who has resided in this state for one year prior to his application for a license.

(17) "Rough Fish" means any fish other than black bass (large mouth, small mouth or Kentucky) and crappie, jack salmon or walleye pike, striped bass, sand pike or sauger and muskellunge, rock bass or goggle-eye.

(18) "Sell" includes offering to sell, having or possessing for sale, barter, exchange or trade.

(19) "Snag Line" means any set line anchored at two terminal points across any stream or body of water which contains one or more hooks, either single or multi-barbed, and which is used without bait.

(20) "Take" includes pursue, shoot, hunt, wound, kill, trap or capture in any way; and any lesser act designed to lure, attract or entice for such purposes; to place, set, aim or use any device, animal, substance or agency which may be reasonably expected to accomplish such acts; every attempt to do such acts or to assist any other person in the doing of or the attempt to do such acts.

(21) "Transport" shall include the offering or receiving for transport.

(22) "Wild Bird" and "Wild Animal" include such wild bird or wild animal or any part thereof.

(23) "Wild Life" means any wild bird, wild animal, fish, amphibian or other form of aquatic life protected by this chapter.

(24) "Regulation" means a written regulation adopted by the Commissioner with the approval of the Commission.

(25) "Prescribed by the Department" means established by a regulation or regulations.

Section 2. Section 150.015 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

The declared purpose of this Act, and the policy of the Commonwealth of Kentucky, is to protect and conserve the wild life of this Commonwealth so as to insure a permanent and continued supply of the wild life resources of this state for the purpose of furnishing sport and recreation for the present and for the future residents of this state; to promote the general welfare of the Commonwealth; to provide for the prudent taking and disposition of wild life within reasonable limits, based upon the adequacy of the supply thereof; to protect the food supply of this state, and to insure the continuation of an important part of the Commonwealth of this state which depends upon the existence of its wild life resources. It is further the declared purpose of this Act, and the policy of this Commonwealth, that an adequate and flexible system be installed to accomplish the aforesaid purposes. All of the provisions of this Act shall be liberally construed in such manner as most effectually to carry out its purposes and intent.

Section 5. Section 150.023 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

There is created an agency of the state government to be known as the Department of Fish and Wild Life Resources, which shall constitute a statutory administrative department of the state government within the meaning of Chapter 12 of the Kentucky Revised Statutes. The department shall consist of a Commissioner,

a Fish and Wild Life Resources Commission and such Conservation Officers and other agents and employees as are provided for in this chapter. The department shall enforce the laws and regulations adopted under this chapter relating to wild life and shall exercise all powers necessarily incident thereto.

Section 4. Section 150.022 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) The Fish and Wild Life Resources Commission shall consist of nine members, one from each Congressional District, and not more than five of the same political party.

(2) The Governor shall appoint the members of the Commission. Each of such members shall be appointed for a term of four years. All persons who shall be members of the Game and Fish Commission upon the effective date of this act shall continue to serve as members of the Fish and Wild Life Resources Commission until such time as their respective terms as members of the Game and Fish Commission would normally have expired.

(3) Vacancies through the expiration of terms of the members of the Commission shall be filled by appointment by the Governor from a list of five names from each Congressional District, recommended and submitted by the Sportsmen of each respective district. When the term of a member expires, the Commissioner shall call a meeting of the Sportsmen in that district not later than thirty days prior to the expiration of such member's term. Notice of the meeting shall be given by publication at least two times in a newspaper having state-wide circulation, at least thirty days prior to the date set for the meeting. At such meeting, the Sportsmen in attendance shall select and submit to the Governor a list of five residents and citizens of the district who are well informed on the subject of wild life conservation and restoration.

(4) In the event of vacancies other than by expiration, the Governor shall fill the vacancy for the unexpired part of the term from the names remaining on the list previously submitted for the district from which the vacancy arose.

(5) Each member of the Commission shall take the constitutional oath of office.

(6) The Governor may remove any member of the Commission for inefficiency, neglect of duty, or misconduct in office; but shall first deliver to such member a copy of all charges in writing and afford to him an opportunity of being publicly heard in person or by counsel in defense of such charges, upon not less than ten days notice. If a member shall be removed, the Governor shall file in the Office of the Secretary of State a complete statement of all charges made against such member and his findings thereon, together with a complete record of the proceedings.

(7) Each member of the Commission shall be entitled to reimbursement for actual and necessary traveling and other expenses incurred by him in the discharge of his official duties, such expenses not to exceed $500.00 per annum for each member, and to be paid from the Game and Fish Fund.

(8) A majority of the Commission shall constitute a quorum for the transaction of any business, for the performance of any duty or for the exercise of any power vested in the Commission.

(9) The Department shall have its principal office in Franklin County, and is authorized to purchase all supplies, equipment and printed forms and to issue such notices and publications as the Commissioner may deem necessary to carry out the provisions of this Chapter.

(10) The word "sportsman" as used in this section shall mean a resident hunter or fisherman who has been licensed in Kentucky for each of the past two consecutive years.

Section 5. Section 150.023 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) The members of the Commission shall meet in Frankfort quarterly, upon a date to be determined and fixed by the Commissioner, or as often as may be necessary for the transaction of business, upon reasonable notice to each member of such meetings.

(2) The Commission shall conduct civil service examinations for all employees in the Department.

(3) The Commission shall at all times keep a watchful eye upon the Department of Fish and Wild Life Resources, and advise the Commissioner to take such action as may be beneficial to the

Department and in the interests of wild life and conservation of natural resources.

(4) The Commissioner, with the approval of the Commission, shall establish such divisions and sub-divisions, and shall employ such experts, clerks and other employees as he deems necessary for the conduct of the work of the Department and for the effectual accomplishment of the declared purposes of this Chapter, and shall fix the compensation of all employees of the Division, to be paid out of the Game and Fish Fund.

(5) The Commissioner, with the approval of the Commission shall authorize such scientific and other studies as he deems necessary, and shall collect, classify and disseminate such statistics, data and information as in his discretion will tend to promote the objects of this Chapter.

(6) The Commissioner, with the approval of the Commission, shall have the exclusive power to expend for the protection, conservation, propagation and restoration of game, birds, fish and fur bearing animals, all funds of the state acquired for the protection, conservation, propagation or restoration of birds, animals and fish, arising from licenses.

Section 6. Section 150.024 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

The Department shall have the right to acquire such property as may be necessary to carry out the purpose of this Chapter, and it shall have the right of eminent domain as provided in Kentucky Revised Statutes 416.010 to 416.080, inclusive.

Section 7. Section 150.025 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

If the Commissioner, with the concurrence of the Commission, and after giving due regard to the public recreation and sport afforded thereby, the economic value and breeding habits of any species, class, type or breed of wild life, either native or imported, finds that the supply thereof has become unduly depleted or finds that, because of adverse weather conditions ,floods, disease, fire, inadequate food supply, breeding conditions, lack of cover, unequal dsitribution, excessive destruction or wide-spread violation of the Game and Fish

laws or for any other reason, there is serious danger that the continued supply thereof may be depleted, the Department shall adopt such regulations as may be necessary and proper to restore supply or to prevent the further depletion thereof. Such regulations may be made to apply to a limited area or to the entire state.

(2) In carrying out the provisions of this section the Department may, by regulations:

(a) Fix, close, terminate, shorten or divide open seasons, or make open seasons conditional;

(b) Regulate bag or creel limits and possession limits;

(c) Regulate buying, selling or transporting;

(d) Regulate the size or type of any device used for taking, and regulate any method of taking;

(e) Regulate or restrict the places where taking is permitted;

(f) Regulate taking, or the opening or closing of seasons in waters in which the Department is conducting experiments or making improvements for the purpose of promoting the conservation of wild life and increasing the supply thereof;

(g) Make any other regulations reasonably necessary to implement or carry out the purposes of this Chapter.

(3) Regulations adopted under this section shall be subject to the provisions of Kentucky Revised Statutes 13.020, but no regulation adopted under this section, except where an emergency is declared to exist under subsection (4), shall become effective until sixty days after it has been filed with the Secretary of State. When any regulation which applies to the entire state is adopted under this section, the Commissioner immediately shall cause a copy thereof to to be published once in two different newspapers having a general circulation in this state. When any regulation which applies to a limited area is adopted under this section, the Commissioner shall immediately cause a copy thereof to be published once in at least one newspaper of general circulation in each county in which a part of the area is located. The Comissioner also shall file two copies thereof with the county court clerk of each county in which the regulation is applicable, one copy of which shall be posted on the courthouse door or bulletin board. As soon as practicable, and within

the budgetary limits of the Department, the Commissioner shall furnish additional copies of any regulation adopted by the Department to the county court clerk of each county in which the regulation is applicable, for distribution to sportsmen and other persons; and the Commissioner shall furnish copies to any person or organization requesting the same. Except as provided in sub-section (5), each regulation adopted hereunder shall remain in effect until rescinded, unless otherwise provided in the regulation.

(4) If the Commissioner, with the concurrence of the Commission, finds that an emergency exists, a regulation may be made to become effective five days after it has been filed in the office of the Secretary of State. In such cases, the regulation shall state the circumstances which give rise to the emergency. Such emergency regulation shall not remain in effect for a period longer than sixty days unless renewed, and each renewal thereof shall be limited to a period of sixty days. Renewals shall be made in the same manner as the original regulation.

(5) The date on which any regulation becomes effective shall be determined only from the date on which it is filed with the Secretary of State.

(6) The fact that any person has not received actual notice of the contents of or the adoption of any regulations under this section shall not excuse any violation of the provisions of the regulation and shall not be a defense to a prosecution for a violation thereof.

Section 8. Section 150.061 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) The Commission shall appoint a Commissioner of the Department of Fish and Wild Life Resources, who shall be a man with knowledge of and experience in the requirements for the protection, conservation and restoration of the wild life resources of the state. The Commissioner shall serve for an indefinite term, subject to removal by the Commission for the same cause and in the same manner in which the Governor may remove a member of the Commission.

(2) The Commissioner shall receive such compensation as the Commission may determine, and shall be reimbursed for all actual

and necessary travel and other expenses incurred by him in the performance of his official duties.

(3) Before entering upon the duties of his office, the Commissioner shall take and subscribe to the constitutional oath of office, and shall, in addition thereto, swear or affirm that he holds no other public office, nor any position upon or under any political committee or party.

(4) . The Commissioner shall have general supervision or control of all activities, functions and employees of the Department of Fish and Wild Life Resources. He shall enforce all provisions of the laws of the state relating to wild animals, birds and fish, and shall exercise all powers necessarily incident thereto not specifically conferred on the Commission. The Commissioner shall make an annual report of all receipts and disbursements to the League of Kentucky Sportsmen.

Section 9. Section 150.071 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) The members of the Fish and Wild Life Resources Commission shall constitute, ex officio, a Civil Service Commission, for the Department of Fish and Wild Life Resources.

(2) The Commission shall prescribe, propound, and conduct such examinations as are properly commensurate with positions within the Department of Fish and Wild Life Resources.

(3) The time and place for holding such examinations shall be fixed by the Commission, and notice thereof shall be given at least ten days prior to the fixed date by announcements through newspapers of the state, through press releases, and through distribution in any other manner the Commission may deem necessary. Such announcements shall state a time and place, the qualifications required of applicants, and all pertinent facts relating to the positions to be filled.

(4) The Commission shall establish a uniform system of grading all examinations given under this section, and shall, as soon as practicable after the giving of such examinations, grade the applicants and certify to the Commissioner an eligible list of all applicants so examined who have made passing grades. The one passing the exam-

ination with the highest average grade shall be listed first and all others shall be listed numerically according to the results of the examinations.

Section 10. Section 150.072 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) All appointments of the Department of Fish and Wild Life Resources shall be made by the Commissioner from among the three highest names on the eligible list provided for in Kentucky Revised Statutes 150.071.

(2) No appointment shall be made to any position in the Department of Fish and Wild Life Resources except from the eligible list provided for in subsection (4) of Kentucky Revised Statutes 150.071.

(3) Whenever the Commissioner shall determine that an emergency exists, he may make emergency appointments. Such emergency appointments need not come from the eligible list; however, in no case shall an emergency period exceed ninety days.

Section 11. Section 150.080 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

The Commissioner may appoint from the eligible list provided for in sub-section (4) of Kentucky Revised Statutes 150.071, as many conservation officers as may be necessary to enforce the Game and Fish laws in an efficient manner in accordance with this chapter.

Section 12. Section 150.081 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

While retaining the right to vote as he may please and to express privately his opinion of all political subjects and issues, no employee or officer of the Department of Fish and Wild Life Resources, including the Commissioner, Superintendent of Hatcheries, and the Chief Conservation Officer, shall take any active part in political management or political campaign, nor shall he use his office or influence for the purpose of interfering in any election or affecting the results thereof, or for the purpose of coercing the political action of any body or person.

Section 13. Section 150.083 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) For violation of orders or failure to perform duties, the Commissioner may suspend any employee or Conservation Officer for a period of time not to exceed two months, or may impose a fine of not more than two months pay, or both so fine and suspend. Conservation Officers may also be demoted for violation of orders. For a second or subsequent violation of orders or failure to perform his duties, the accused shall be dismissed by the Commissioner.

(2) Nothing in this chapter is intended to prevent the Department from decreasing the number of employees, when in the opinion of the Commission and the Commissioner it is necessary to the efficient operation of the Department. When the numbers are so decreased, the youngest in point of service shall be the first to be released and shall be placed at the head of the eligible list in the order of their seniority.

Section 14. Section 150.090 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) Conservation Officers or other persons appointed by the Commissioner and all Peace Officers and their deputies shall enforce the provisions of this chapter. They may arrest on sight, without a warrant, any person detected by them, or any of them, in the act of violating any of the provisions of this chapter. They shall have the same rights as Sheriffs to require aid in arresting with or without process any person found by them violating any of the provisions of this chapter and may seize without process anything declared by this chapter to be contraband. No liability shall be incurred by any person so charged and directed.

(2) Conservation Officers and other officers charged with the enforcement of this chapter shall have authority to call for and inspect the license or badge of any person engaged in any activity for the performance of which a license is required under this chapter and to call for and inspect any and all fire arms being carried upon the person of any person so engaged.

(3) No person shall resist, obstruct, interfere with or threaten or attempt to intimidate or in any other manner interfere with any

officer in the discharge of his duties under the provisions of this chapter.

Section 15. Section 150.095 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

All Conservation Officers are hereby authorized to keep and bear arms upon their person, concealed or otherwise, in the same manner as all other peace officers, and to exercise the use of such arms to such extent as the same may be necessary in the discharge of their duties.

Section 16. Section 150.100 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

The Commissioner, all personnel of the Department and all officers and other persons appointed by the Commissioner may execute any process issued by a court, enforcing the provisions of this chapter or any law relating to the propagation or protection of game and fish in the same manner as any constable or sheriff. To accomplish that purpose they may call any peace officer or other person to their aid.

Section 17. Section 150.105 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

Nothwithstanding any other provisions of this chapter, the Commissioner may, with the approval of the Commission, authorize Conservation Officers or any other person to destroy or bring under control in such manner as he deems necessary any wild animal, fish, or wild birds, protected or unprotected, which are causing damage to persons, property, or other animals, fish or birds and which in his judgment should be eliminated or controlled to prevent further damage.

Section 18. Section 150.110 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

The Commissioner and Conservation Officers may arrest without warrant anyone violating any of the provisions of Kentucky Revised Statutes 150.490 to 150.520 or any of the rules or regulations made by the Department of Fish and Wild Life Resources for

the protection of mussels under this chapter. They may inspect mussels in any warehouse, boat, store, car or receptacle when they have good cause to believe that any of the provisions of Kentucky Revised Statutes 150.490 to 150.520 or any regulations made thereunder have been or are being violated. This authority does not include the right to enter any dwelling house without a search warrant. When such Officers find mussels in the possession of anyone in violation of this chapter, the mussels shall be confiscated and sold in the manner provided by Kentucky Revised Statutes 150.120 for the sale of confiscated fish and game.

Section 19. Section 150.120 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) The Commissioner, all Conservation Officers, persons appointed by the Commissioner, and all peace officers and their deputies shall seize and take possession of any and all furs, fish, wild animals, wild birds, guns, dogs, instruments, boats or devices which have been taken, used, transported or possessed contrary to any law of regulation adopted under this chapter. Upon complaint showing probable cause for believing that any of the wild animals or wild birds protected by any law or regulation are illegally kept in any building, car or receptacle, any court having jurisdiction may issue a search warrant and cause the same to be searched. Any wild birds, wild animals, fish, furs, guns, dogs, instruments or devices seized in accordance with this section shall be impounded by the arresting officer and shall be taken before the court trying the person arrested.

(2) Upon conviction, the court or jury trying the case shall have the discretion of determining whether or not any of the things seized under the provisions of sub-section (1) of this section shall be declared contraband. Any animal, bird, fish, fur or dog taken, and any device used or possessed contrary to the provisions of this chapter, or any regulations adopted hereunder, is subject to being declared contraband. When any such item is declared contraband, the court shall enter an order accordingly. A copy of the order shall be forwarded to the Commissioner and the contraband shall be placed in the custody of the arresting officer, to be delivered to the Commissioner.

(3) The Commissioner may sell to the residents of this state, at the highest market price obtainable, with the approval of the

Governor and the Director of Purchases and Public Properties, all contraband which comes to his possession under the order of any court, or which has been seized under this chapter and declared to be contraband under any law relating to fish or game. All proceeds arising from the sale of contraband articles shall be paid into the Game and Fish Fund. A record of the sale, including the name of the purchaser and the price paid, shall be kept by the Commissioner.

(4) Any device or contrivance, the use of which is not expressly recognized and sanctioned by the provisions of this chapter for the taking of fish and animals, is hereby declared to be an illegal device. No person shall have in his possession while taking any wild birds, wild animals or fish any illegal device or other thing prohibited by law or by any regulation adopted under this chapter for the taking of wild birds, wild animals or fish.

Section 20. Section 150.130 of the Kentucky Revised Statutes, of 1948 is hereby amended to read as follows:

All county attorneys and commonwealth's attorneys shall enforce the provisions of this chapter and all regulations adopted hereunder, and they shall be paid for their services in this regard in the manner specified in Kentucky Revised Statutes 150.160.

Section 21. Section 150.140 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

Each Justice or Clerk of the Court before whom any prosecution under this chapter for the violation of any law or regulation for the protection of wild life, animals or fish may be commenced or shall go on appeal shall, within twenty days after a decision has been rendered therein, report in writing to the Commisisoner the result of the prosecution, the amount of fine collected or penalty imposed, if any. All moneys collected as fines or penalties for the violation of any law or regulation, which according to law goes to the Game and Fish Fund, shall be paid within thirty days to the Commissioner by the court, justice or other officer collecting or receiving the moneys, and the same shall be paid by the Commissioner to the State Treasurer within thirty days thereafter.

Section 22. Section 150.150 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) Except as provided in this chapter, all moneys derived from the sale of licenses or from any other source connected with the administration of this chapter shall be promptly paid over to the State Treasurer, who shall deposit such moneys in a special fund, known as the Game and Fish Fund. The Game and Fish Fund shall be used to carry out the purposes of this chapter and any law or regulation for the protection of wild animals, birds or fish, and for no other purpose.

(2) All funds received under Kentucky Revised Statutes 150.110 and 150.490 to 150.520 shall be used by the Department for the purpose of enforcing those sections and for the protection and propagation of mussel beds. Any surplus remaining in the fund at the close of each calendar year shall be turned into the general fund of the Department.

Section 23. Section 150.160 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) Any fine imposed for a violation of this chapter shall, when collected, be divided as follows: Forty Percent shall be given to the County Attorney or Commonwealth Attorney who is present and prosecutes the case and the remaining sixty percent to the Commissioner, to be paid into the Game and Fish Fund. If no county or commonwealth attorney actually prosecutes, the entire fine shall be paid into the Game and Fish Fund.

(2) In the event that an appeal is taken to the circuit court from any conviction imposed pursuant to the provisions of this chapter, and in the further event that the same officer who prosecuted the violation to a successful conclusion in the lower court is not charged with and does not handle the continued prosecution of the same in the circuit court, then forty percent of such fine as may be finally imposed in the circuit court shall, when actively participating in the prosecution of said case in both the lower and circuit courts.

(3) Every judgment entered upon the trial of any violation of this chapter shall recite whether or not the county attorney or the commonwealth attorney, or both, was present and actively prosecuted the action on behalf of the Commissioner. Unless there is such an entry on the judgment book of the court showing the

presence and participation of such officer or officers in the trial, none shall be entitled to any part of the fine.

Section 24. Section 150.170 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) Except as provided in sub-sections (2), (3), (4), (5) and (6) of this section and subject to regulations adopted under this chapter, no person shall do any act authorized by any kind of license or permit provided for in this chapter with respect to game and fish unless he holds the kind of license or permit that authorizes such act. It is the specific purpose of this chapter to prohibit the taking or pursuing of any wild life or wild animals, protected or unprotected, or the angling in any stream or body of water, whether public or private, without first procuring the license provided for herein, except to such extent as may be otherwise provided in this section.

(2) A person under sixteen years of age may, without a trapping license, take wild animals by trapping and, without a fishing license, take fish by angling, or take minnows by the use of a minnow seine.

(3) Resident landowners, and resident children and lessees on their lands may, without a fishing license, take fish from the waters thereon by angling, such angling, in the case of public waters, to be from the bank only, and such persons may, without a hunting license, take wild animals and wild birds therefrom (except by trapping), subject to the further provisions of this chapter.

(4) Residents or non-residents attending and participating in any annual state or national field trial may so attend and participate without obtaining a hunting license.

(5) Any resident of this state who is sixty-five years of age or older may, without a hunting or fishing license, do any act authorized by such a license, but while so doing he must carry upon his person an affidavit stating the year and place of his birth.

(6) The provisions of this chapter for the protection of wild animals shall not apply to any resident landowner of this state who kills on his land any wild animal that is causing damage to such land or to any personal property situated thereon.

(7) In the event a reciprocal agreement is entered into between the Commissioner of the Department of Fish and Wild Life Resources of this state, with the approval of the Commission, and the similar authority of the State of Tennessee, pursuant to which persons holding a fish license (Resident or Non-Resident) or a state-wide hunting license (Resident or Non-Resident) or county hunting license issued in this state are permitted to perform the acts authorized by such license upon so much of the waters of any lake, extending across the boundary between Kentucky and Tennessee, as lies within the State of Tennessee, then any person holding a similar fishing license or hunting license issued in the State of Tennessee may, during the duration of such agreement, perform the acts authorized by such license upon so much of the waters of such lake as lies within this state, without having obtained a license therefor in this state.

Section 25. Section 150.175 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

The kinds of licenses and tags authorized by this chapter, and the acts authorized to be performed under such licenses and tags, subject to the other provisions of this chapter and subject to regulations adopted under this chapter, are as follows:

(1) (a) A state-wide fishing license, which authorizes the holder thereof to take fish by angling, to take minnows by the use of a minnow seine, to take fish by grabbling, gigging and by noodling or tickling, and to take frogs from any waters in any county of this state open for such purposes and subject to the limitations hereinafter set forth and such additional limitations as the Department may from time to time prescribe.

(b) A county fishing license, which may be issued only to a resident of this state, which authorizes the holder thereof to take fish by angling, to take minnows by the use of a minnow seine, to take fish by grabbling, gigging and noodling or tickling and to take frogs from any waters open for such purposes in the county only for which the license is issued, subject to the limitations hereinafter set forth and such additional limitations as may be prescribed by regulation of the Department from time to time.

(2) A three day fishing license, which may be issued only to

a nonresident and which authorizes the holder thereof to take fish by angling, grabbling, gigging and noodling or tickling from any of the waters of this state, including the Ohio River, for a period of three consecutive days, beginning as of a day which shall be stated in the license when issued by the county clerk, and subject to all limitations hereinafter set forth and such further limitations as may be prescribed by regulation of the Department from time to time.

(3) A commercial fishing license, which authorizes the holder thereof to perform any act authorized by a fishing license and to take fish from the navigable streams of the state, but not above the last lock and dam up the stream, by the use of twine seines, twine hoop nets, or snag lines, provided that the holder of such license has first obtained a tag for each seine, hoop net and snag line. Such license shall also authorize the holder thereof to sell fish, other than those protected by this chapter, either at wholesale or retail.

(4) A wholesale fish dealer's license, which authorizes the holder thereof to sell to dealers or retailers for the purpose of re-sale, any kind of fresh or salt water fish not protected by this chapter, and imported walleye pike or sauger. Nothing contained herein shall be construed to require a license for the sale of canned, smoked, pickled or dried fish.

(5) An Ohio River fishing license, which may be issued only to a citizen of Ohio, Indiana or Illinois, and which authorizes the holder thereof to take fish from the Ohio River by angling only.

(6) An Ohio River commercial fishing license, which may be issued only to a citizen of Ohio, Indiana and Illinois, and which authorizes the holder thereof to exercise in the Oho River only the same privileges that may be exercised under a commercial fishing license, as defined in sub-section (3) of this section, provided that the holder of such license has first obtained a tag for each seine, hoop net and snag line.

(7) A seine tag, which may be issued only to a person holding a commercial fishing license or an Ohio River commercial fishing license, and which authorizes the holder thereof to use, in taking fish from the navigable waters of this state, or from the Ohio River only, as the case may be, one hundred feet of seine or part thereof.

A separate tag shall be required for each one hundred feet of seine or part thereof.

(8) A hoop net tag, which may be issued only to a person holding a commercial fishing license or an Ohio River commercial fishing license, and which authorizes the holder thereof to use, in taking fish from the navigable waters of this state, or from the Ohio River only, as the case may be, one hoop net. A separate tag shall be required for each hoop net.

(9) A snag line tag, which may be issued only to the holder of commercial fishing license, or an Ohio River commercial fishing license, and which authorized the holder thereof to use, in taking fish from the navigable waters of this state, or from the Ohio River only, as the case may be, one snag line. A separate tag shall be required for each snag line.

(10) A live bait dealer's license, which may be issued only to a resident of this state and which authorizes the holder thereof to sell live bait to be used in angling.

(11) A musseling license, which authorizes the holder thereof to take mussels for commercial purposes from any shell bed.

(12) A state-wide hunting license, which authorizes the holder thereof to take or pursue wild animals, in any county of this state, with bow and arrow, gun, gun and dog or dog; and to take wild birds with bow and arrow or with gun; and to participate in a fox hunting party engaged in the hunting or pursuing of foxes with dogs for sport; and to take frogs from any waters open for such purposes, but only in such manner as provided elsewhere in this chapter.

(13) A county hunting license, which may be issued only to a resident of this state, and which authorizes the holder thereof to exercise, only in the county for which the license is issued, all of the privileges authorized by a state-wide hunting license.

(14) A trapping license, which authorizes the holder thereof to take wild animals by trapping upon his own lands or upon the lands of another person. (Provided that the holder of such license shall have first obtained a written consent as provided in Kentucky Revised Statutes 150.400 and 150.410).

(15) A taxidermist license, which authorizes the holder thereof

to engage in the business of preparing, stuffing and mounting, in life-like form, the skins of wild animals.

(16) A commercial guide's license, which may be issued only to a resident of this state, and which authorizes the holder thereof to receive payment or remuneration of any kind for services rendered as a guide for angling or hunting parties.

(17) A fur buyer's license, which may be issued only to a resident of this state, and which authorizes the holder thereof to buy raw furs from trappers and to sell raw furs so purchased to a licensed fur processor.

(18) A fur processor's license, which may be issued only to a resident of this state, and which authorizes the holder thereof to buy raw furs from a licensed fur buyer, for the purpose of processing, manufacture or retention in cold storage for resale to another licensed fur processor, to process or manufacture such raw furs, or hold them in cold storage, to sell such raw furs to or buy the same from another fur processor licensed in this state, to sell raw furs to a licensed non-resident fur buyer, or to buy raw fur from a non-resident fur processor licensed in the state of his residence to deal in raw furs.

(19) A non-resident fur buyer's license, which authorizes the holder thereof to buy raw furs from persons legally having the same in their possession in this state and to transport or ship the same out of this state.

Section 26. Section 150.176 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No hunting or fishing license authorized by this chapter shall be issued to the resident of any other state which does not grant to the citizens of this state the privilege to secure license to hunt and fish during any open season in such state.

Section 27. Section 150.180 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) Except as otherwise provided in this section or elsewhere in this chapter, and subject to regulations adopted under this chapter, no person, for himself or as the agent or employee of another,

shall sell, buy, transport or direct to be transported any wild animal, wild bird or fish protected by this chapter, or any raw fur.

(2) Mussels and fur, other than black bass (large mouth or small mouth and Kentucky) rock bass or goggle-eye, crappie, jack salmon, walleye pike or striped bass, sand pike or sauger and muskellunge may be bought, sold and transported, if in legal possession.

(3) Raw furs, if in legal possession, may be sold by a licensed trapper to a licensed fur buyer (resident or non-resident), and by a licensed fur buyer to a licensed fur processor or to another fur buyer. A licensed resident fur buyer may buy raw furs from a licensed trapper, if in legal possession of the trapper, and licensed fur processors may buy such furs from a licensed fur buyer or from another licensed fur processor, if in legal possession of such fur buyer or processor, and may buy raw furs from a non-resident fur processor licensed in the state of his residence to deal in raw furs. A licensed fur processor may sell raw furs to another licensed fur processor or to a licensed non-resident fur buyer. A licensed non-resident fur buyer may buy raw furs from any person having the same legally in possession.

(4) Subject to regulations adopted under this chapter, any person authorized by sub-section (3) of this section to sell or buy raw furs may transport, between any points within this state, any such furs legally in his possession. No person may transport or ship raw furs from this state a point outside this state unless he holds a non-resident fur buyer's license, except that an individual who has lawfully taken a fur bearing animal in this state or who has legally purchased the pelts of fur bearing animals may ship the pelts thereof at any time during the period such pelts may be in his legal possession in this state, to a non-resident fur processor who is licensed in the state of his residence to deal in raw furs, or to a non-resident taxidermist for the purpose of mounting.

(5) Subject to regulations adopted under this chapter, a person who has been issued a license under this chapter and who has the license on his person may transport anywhere as a part of his personal baggage any wild animals, wild birds or fish legally taken by him under such license, not in excess of the number that the law or regulations permit him to have in possession at any one time.

(6) A person who has legally taken any wild animal, wild bird

or fish in another state and who has in his possession the license which authorizes such taking may, if the same be dead, transport the same to this state, as part of his personal baggage at any time during the open season for the particular species in the state in which taken or within ten days after the close of such season. Any person may ship dead game or dead fish so taken subject to the provisions of the laws of the state in which the same was taken and the laws and regulations of the United States relating thereto.

(7) No person shall import or transport into the State of Kentucky or receive shipment in the state from without the state, any type or species of live game, live wild animal, live wild bird or fish, protected or unprotected under this chapter, excepting gold fish, without first procuring from the Department a written permit to do so.

(8) This section shall not in any way interfere with the transportation of any wild animals, wild birds or fish by the authorized officers of the Department of Fish and Wild Life Resources.

(9) Federal regulations shall govern the transportation of all migratory wild birds.

Section 28. Section 150.185 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) No person shall buy, sell or attempt to buy or sell a rabbit.

(2) For the purposes of this section "rabbit" shall mean any wild, (including cotton-tail, jackrabbit and swamp rabbit), whether alive or dead, or any part thereof whether or not taken within or outside of this state.

Section 29. Section 150.190 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) The Commissioner may, with the approval of the Commission, adopt the design of all licenses required by this chapter and make all regulations for their issuance. Licenses shall only be issued pursuant to a written application, on a form prescribed by the Commissioner, subscribed and sworn to by the applicant and giving the following information: Sufficient general description of the applicant to identify him, his name, place of residence and house num-

ber. No person shall make a false statement or any false information in the application.

(2) Except as provided in sub-section (3) and (4) of this section, and in sub-section (3) of Kentucky Revised Statutes 150.220, all licenses and tags provided for in this chapter shall be issued by the county clerk. The clerk shall sign the licenses and shall require the persons to whom the licenses are issued to sign their name on the margin. The clerk shall keep a correct and complete copy of all licenses issued in a book to be furnished by the department, which records shall remain in his office and be open to inspection by the public during regular office hours. No County clerk shall knowingly make a false entry upon a license or upon a licensed record or report required by this chapter.

(3) Ohio River fishing licenses and Ohio River commercial fishing licenses, and seine, hoop net and snag line tags for holders of Ohio River commercial fishing licenses shall be issued by the Department directly, or through such person, resident or non-resident, as may be designated by the Commissioner as agent for that purpose.

(4) Wholesale fish dealer's licenses, commercial guide's licenses, fur buyer's licenses (both resident and non-resident) and fur processor's licenses shall be issued directly by the Department. Any applicant for a commercial guide's license shall be required to present proof to the satisfaction of the Commissioner, in accordance with such regulations as the Commissioner may prescribe with the approval of the Commission, that he is qualified to act as a commercial guide. Any applicant for a fur processor's license shall be required to present proof to the satisfaction of the Commissioner, in accordance with such regulations as the Commissioner may prescribe with the approval of the Commission, that he has sufficient equipment and facilities to engage in the business of processing, manufacture and storage of raw furs.

Section 30. Section 150.200 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

The Commissioner shall cause to be delivered to each county clerk, not less tan ten days before January 1st of each year, as many licenses, tags and forms as may be required, and charge each clerk for the number issued to him. On or before January 25th of each

year each county clerk shall return to the Department all unused licenses, stubs and unused tags which he has received for the preceding year. The licenses and tags shall specify the calendar year for which they are issued and all licenses, tags and permits authorized to be issued by this chapter, whether by the Department or by a county clerk, shall expire on December 31st of that calendar year.

Section 31. Section 150.210 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

The blank licenses, metal tags and printed matter necessary to carry out the provisions of this chapter shall be prepared under the direction of the Commissioner, subject to the approval of the Derector of Purchases and Public Properties and shall be paid for in the same manner as other public printing. All expense arising therefrom shall be charged to the Game and Fish Fund.

Section 32. Section 150.220 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) Except as otherwise provided in Kentucky Revised Statutes 150.175 and 150.176 any of the licenses authorized by this section may be issued either to a resident of this state or to a non-resident, but all licenses issued to non-residents shall bear the word "non-resident" in prominent letters, and fees shall be as respectively provided in this section.

(2) The fees for the licenses provided for in Kentucky Revised Statutes 150.175 shall be as follows:

(a) Fishing licenses
State-wide fishing license (resident) ..... $ 2.00
State-wide fishing license (non-resident) 5.00
County fishing license (resident only) 1.00

(b) Three-day fishing license
Non-resident only 1.00

(c) Commercial fishing license
Resident 5.00
Non-resident 25.00

(d) Ohio River fishing license (residents of Ohio, Indiana and Illinois only) 2.00

(e) Ohio River Commercial fishing license 5.00
(f) Wholesale fish dealer's license
Resident 10.00
Non-resident 25.00
(g) Seine tag for each one hundred feet of seine or part thereof
Resident 2.00
Non-resident (holder of Ohio River commercial fishing license) 2.00
Other nonresidents 4.00
(h) Hoop net tag:
Resident 1.00
Non-resident holder of Ohio River commercial fishing license 1.00
Other nonresidents 2.00
(i) Snag line tag:
Resident 1.00
Nonresident holder of Ohio River commercial fishing license 1.00
Other nonresidents 2.00
(j) Live bait dealer's license (resident only) 5.00
(k) Musseling license
Resident 10.00
Nonresident 30.00
(l) State-wide hunting license
Resident 3.00
Nonresident 15.00
(m) County hunting license (resident only) 1.00
(n) Trapping license
Resident 1.00
Nonresident 10.50
(o) Taxidermist's license (resident only) 3.00
(p) Commercial guide's license (resident only) 5.00
(q) Fur buyer's license
Resident 2.00
Nonresident 75.00
(r) Fur processor's license (resident only) 50.00

(3) The Department may issue a special license without fee to the Chief Executive of the United States or of any other state of-

ficial of another state, or of the federal government or of a federal agency, whose functions include matters related to the propagation, protection or preservation of game and fish. Such special license shall authorize the performance of any act authorized by a fishing license and a state-wide hunting license. Not more than fifty such licenses may be issued in any one year.

Section 33. Section 150.230 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) The county clerk or any agent designated by the Department under the provisions of sub-section (3) of Kentucky Revised Statutes 150.190 shall retain as his fee, out of the money received by him for licenses and tags, the following fees:

(a) For each license or tag for which the fee is $1.00, a fee of 15c.

(b) For each license or tag for which the fee is not less than $2.00 nor more than $5.00, a fee of 25c.

(c) For each license for which the fee is over $5.00, a fee of 50c.

(2) The foregoing fees shall cover the swearing of the applicant to his application and of other services under this chapter. The county clerk shall pay the remainder of the license fees, after deducting therefrom his fee, to the State Treasurer on the first day of each month, which amount shall be credited to the Game and Fish Fund. The county clerk shall report to the Commissioner on the first day of each month the number and kind of licenses and tags issued and the amount of money remitted to the State Treasurer.

Section 34. Section 150.235 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) No person shall perform any act authorized to be performed by any of the various licenses provided for in this chapter without first procuring the type of license which authorizes the performance of such act and unless at the time of the performance of such act he has the license provided therefor on his person, except that in the case of a wholesale fish dealer or a fur processor it shall be sufficient if the license is posted in a conspicuous place upon the licensed premises.

(2) No license authorized by this chapter, except a wholesale fish dealer's license and a fur processor's license, may be issued except to an individual, and not more than one such license of any particular type may be issued to any individual during a single calendar year. A wholesale fish dealer's license and a fur processor's license may be issued to an individual, partnership, firm or corporation, and as many such licenses may be issued to any one individual, partnership, firm or corporation as may be required for the various premises upon which the licensed business is to be carried on. In the case of a fur processor's license, no employee or agent of the person, firm, partnership or corporation in whose name the license was issued shall exercise any privilege authorized by the license at any place than the licensed premises, unless he has on his person an agent's license card issued by the Commissioner. For the purpose of securing such agent's cards, the holder of the license shall file with the Department an application form, stating the name and giving a general description of each agent or employee who will engage in the transactions authorized by the license. There shall be no fee for the issuance of such agent's cards. The Commissioner, with the approval of the Commission, shall have authority to restrict and limit the number of such cards that will be issued, and to prescribe the terms and conditions under which a card may be issued and used and may revoke any such cards whenever it appears to the Commissioner that the holder thereof is not complying in all respects with the purpose and intent of this chapter.

(3) Wherever in this chapter reference is made to the "holder" of a license, it means the person in whose name the license was issued. No person to whom a license has been issued under this chapter may authorize or permit any other person to carry his license.

Section 35. Section 150.240 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

The Commissioner, with the approval of the Commission, may contract with any landowner of the state, for a specified term of years, to set aside and maintain land as a game refuge. Any such contracts may be recorded in the county court clerk's office of the county in which the land is situated.

Section 36. Section 150.250 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) The Department, with the approval of the Commissioner of Finance and the consent of the Governor, may enter into any contract with the United States Government, or any department or agency thereof, or with any individual in regard to the preservation, protection and propagation of fish, game, birds or animals, which it may deem to the advantage of the state to enter into.

Section 37. Section 150.260 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

Kentucky assents to the provisions of an Act of Congress entitled "An act to provide that the United States shall aid the state in wild life restoration projects, and for other purposes," approved September 2, 1937. The Department of Fish and Wild Life Resources shall perform such acts as may be necessary to the establishment and conduct of cooperative wild life restoration projects in compliance with said Act and with rules and regulations promulgated thereunder by the Secretary of Agriculture. No funds accruing to the state from license fees paid by hunters shall be diverted to any purpose other than the administration of the Department of Fish and Wild Life Resources.

Section 38. Section 150.265 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

Kentucky assents to any law which may be enacted by the Congress of the United States for the purpose of encouraging states to cooperate with the Federal Government in fish restoration and management projects. The Department of Fish and Wild Life Resources shall perform such acts as may be necessary to conduct the establishment of fish restoration and management projects in compliance with any such act of Congress and the rules and regulations promulgated thereunder by the federal agency having authority to execute such act. No funds accruing to the state from license fees paid by fisherman shall be diverted to any purpose other than the administration of the Department of Fish and Wild Life Resources.

Section 39. Section 150.270 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) Kentucky consents to the acquisition by the United States by purchase, gift, devise or lease of such areas in Kentucky as the

United States may deem necessary for the establishment of migratory bird reservations in accordance with the Migratory Bird Conservation Act, approved February 18, 1929 (45 Stat. 1222).

(2) Kentucky reserves complete jurisdiction and authority in and over all such areas not incompatible with the administration, maintenance, protection and control thereof by the United States under the terms of Acts of Congress. This section shall in no wise deprive the courts of Kentucky of jurisdiction to try and punish all violations of any of the criminal or penal statutes of Kentucky in such areas.

Section 40. Section 150.275 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

The Commissioner may issue to any qualified person a permit to take and transport wild animals, birds or fish at any time for scientific or educational purposes; such permits shall be valid at the discretion of the Commissioner and shall show upon their face the period of their validity. The fee for such permits shall be $1.00.

Section 41. Section 150.280 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No person shall propagate fish, frogs, fur bearing animals and other game, nor harbor or maintain any protected game or fish in captivity for the purpose of making a pet of the same, or for any other purpose, without first procuring a permit to do so from the Department. The Commissioner shall make and publish regulations governing all such activity. The application for a breeder's permit, or for a permit to harbor and maintain protected game and fish as pets or for any other purpose, shall be in writing, addressed to the Commissioner, signed by the applicant, and shall describe the land or waters owned or leased by the breeder to be used for breeding purposes and shall contain such other facts as may be required by the Commissioner. When it appears that the application is made in good faith, the Commissioner may issue a permit, which shall continue in force for one year unless sooner revoked by the Commissioner for cause, upon payment of a fee of $2.00 and fees for tagging which shall be fixed by the Commissioner. A fish and game club which enters into an aggreement with the Department to operate such a farm, in cooperation with the Department, for the purpose of carry-

ing out the Department's program may, with the approval of the Commissioner, be issued a permit without the payment of any fee. Any permit issued pursuant to this section may be revoked by the Commissioner at any time for a violation by the holder thereof of any of the laws of Kentucky or of any regulation of the Department.

Section 42. Section 150.290 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) Any breeder may sell and transport fish, frogs, fur bearing animals and other game at all times, alive for propagation, and for food purposes during seasons prescribed by the Commissioner. Such fish, frogs, fur-bearing animals and other game shall be identified either by marking their container or by individual tagging, as the Commissioner may prescribe.

(2) No breeder shall sell game procured from other than a licensed propagation farm.

Section 43. Section 150.300 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No person shall, without first securing the permission of the Commissioner, enter upon the premises of a propagation farm, game farm or game refuge or fish hatchery and take fish, birds, wild animals or game; or, without the consent of the property owner, enter upon any pond and take fish or amphibians or foul the waters of any pond or farm with a substance injurious to the life or growth of fish or amphibians, or break or destroy any dam, reservoir or embankment or divert the waters or otherwise wilfully damage the farm or pond. No person shall go upon the premises of any propagation farm, game farm or refuge or fish hatchery accompanied by a dog of any type or description or while carrying fire arms upon or about his person.

Section 44. 150.305 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) Subject to regulations adopted under this chapter and except as otherwise provided in this section, no person shall have in his possession any wild bird, wild animal or fish protected by this chapter, or any raw fur, except during the open season for the particular species, unless such person be the holder of a valid permit issued

pursuant to the provisions of Kentucky Revised Statutes 150.275 or 150.280.

(2) Any person who has legally taken any rabbit, squirrel, quail or grouse may have the same in his possession in a frozen food locker, either in his home or in a commercial locker plant, for a period of ninety days after the close of the season for the particular species. The name of the taker, the date of taking, and the number and species of animal or bird must be marked on the package on which the same are stored. Legally imported game or fish may be held in such frozen food locker for a period of time to conform with the requirements of the pure food law, provided, however, that the date of storage with the number of the non-resident license under which such game or fish were taken be attached or stamped upon each package or carcass.

(3) Any person who has legally taken any wild animal, wild bird or fish in another state and who has legally transported or shipped the same to this state in accordance with the provisions of subsection (6) of Kentucky Revised Statutes 150.180, may have the same in his possession, other than in a frozen food locker as above provided, in this state for a period of not more than ten days after the close of the open season in the state in which the same was taken.

(4) Federal regulations shall govern the possession of migratory wild birds.

(5) To facilitate the enforcement of subsection (2) and (3) of this section, the Commissioner, or such agents and employees of the Department as may be designated by him, shall have authority to inspect all commercial frozen food lockers within the State of Kentucky at such periods and intervals as the Commissioner shall, in the exercise of a reasonable discretion, fix and determine. No search warrant of other legal process shall be required of any properly authorized person as a condition precedent to the making of the inspections herein authorized.

(6) Any person who has legally taken a fur-bearing animal, or the raw fur thereof, may have the same in his possession until February 15th, following the close of the season.

(7) A licensed fur buyer (resident or non-resident) may buy

or have in his possession raw furs until February 20th, following the close of the season.

(8) A licensed fur processor may buy raw furs from a licensed fur buyer at any time during the period that a fur buyer is authorized by this section to sell raw furs, and the licensed fur processor is further authorized to hold raw furs in cold storage for the purpose of manufacture or processing, or to buy from or sell to another licensed processor, at any time in the year.

Section 45. Section 150.310 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) No person shall take any wild bird, whether protected or unprotected, except with bow and arrow or with a gun, which gun shall not be larger than a 10-gauge fired from the shoulder. No bird shall be taken with or by means of any automatic loading or hand-operated repeating shotgun capable of holding more than three shells, the magazine of which has not been cut off or plugged with a one-piece metal or wooden filler incapable of removal through the loading end thereof in such manner as to reduce the capacity of said gun to not more than three shells at one time in the magazine and chamber combined.

(2) No person shall hunt birds, whether protected or not, with lights or any other means which might be used to blind birds at night.

Section 46. Section 150.320 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) No person shall take any wild bird except game birds for which there is an open season, either under the laws of Kentucky and the regulations of the Department or the laws of the United States, except those birds mentioned in sub-section (2) of this section.

(2) This chapter does not protect or in any way limit the taking of the Cooper's Hawk, sharp-skinned hawk, the crow, the starling, the English sparrow or the great horned owl, but any person taking any of them with a gun must have a hunting license.

(3) No person shall take, disturb or destroy the nests or eggs of any wild birds.

Section 47. Section 150.330 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) No person shall take any wild birds except during the open season prescribed by the Department for the particular species. The open season for quail may be between November 1, and February 1st only, and shall not exceed a total of sixty days, consecutive or otherwise. The open season for ruffed grouse or native pheasant may be between November 20th and December 20th only, but shall not exceed a total of twenty five days, consecutive or otherwise. There shall be no open season for wild turkey. No person shall take quail, ruffed grouse or native pheasant except from sunrise to sunset.

(2) No person shall take, pursue, possess, transport, purchase or sell or attempt to do so, any migratory birds, except as authorized by the Migratory Bird Treaty Act (40 Stat. 451) as amended.

Section 48. Section 150.340 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No person shall take more wild birds in any one day than the bag limit prescribed for the species, but the Department shall not prescribe bag limits in excess of the following:

Quail	10
Ruffed Grouse or Native Pheasant	2
Doves	Federal Regulations Apply
Ducks	Federal Regulations Apply
Geese	Federal Regulations Apply
Coots and Gallinule	Federal Regulations Apply
Woodcock	Federal Regulations Apply
Snipe	Federal Regulations Apply

No person shall have in his possession at any time any number of quail, ruffed grouse or native pheasant in excess of the bag limit as prescribed by the Department for the particular species, except that a person who has hunted two or more days in succession may have in his possession a total of not more than twice the bag limit for any one day for such birds, and a person may have in his possession, in a cold storage locker as provided in Kentucky Revised Statutes 150.305 a number not exceeding two days' bag limit after the first day of the hunting season; provided, however, that no per-

son shall take more than ten ruffed grouse or native pheasant during any open season for the same.

Section 49. Section 150.355 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No person shall use ferrets in hunting. No person shall keep a ferret as a pet or for any purpose, unless he has procured a ferret permit from the Commissioner. A permit must be obtained within ten days after the person acquires possession of a ferret and one permit shall entitle the holder to keep any number of ferrets. If the owner of any ferret uses it contrary to the provisions of this chapter, the Commissioner may revoke his permit and confiscate all of his ferrets. Each use of a ferret in hunting shall constitute a separate offense.

Section 50. Section 150.360 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) No person shall take any wild animals, whether protected by this chapter or not, except by trapping, gig, bow and arrow, gun, gun and dog, or dog.

(2) No gun used in the taking of wild animals shall be larger than a 10-gauge and fired from the shoulder. No wild animals shall be taken with or by means of any automatic-loading or hand-operated repeating shotgun capable of holding more than three shells, the magazine of which has not been cut off or plugged with a one-piece metal or wooden filler incapable of removal through the loading end thereof, in such manner as to reduce the capacity of said gun to not more than three shells at one time in the magazine and chamber combined.

(3) No person shall hunt rabbits with lights or other means designed to blind rabbits at night.

(4) No person shall take frogs with a gig other than one of the following sizes and dimensions: The gig shall have not more than four prongs; no prong shall be longer than two and one-half inches; the prongs shall be made out of not heavier than 14-gauge wire or metal, and shall not have more than one barb on each prong.

Section 51. Section 150.365 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No person shall use fire, smoke or any noxious gas or substance to drive game out of a hole or a tree, nor shall any person burn a field for the purpose of driving game.

Section 52. Section 150.370 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) No person shall take any wild animal protected by this chapter except during the open season for the particular species as prescribed by the Department. The open season for rabbits may be between November 1st and February 1st only, but shall not exceed a total of sixty days, consecutive or otherwise. The open season for mink, opossum, raccoon, skunk, muskrat and red fox may be between November 1st and February 15th only, but shall not exceed a total of sixty days, consecutive or otherwise, except that the Department may allow an additional thirty days in which opossum and raccoon may be hunted and taken by dog only. The open season for squirrel may be between August 1st and January 1st only, but shall not exceed a total of ninety days, consecutive or otherwise. The open season for pond, bull or jumbo frogs shall be such period as the Department may prescribe. There shall be no open season for otter or beaver.

(2) Sub-section (1) shall not apply to persons who hunt red fox at night with dogs for sport and not to kill; but this exception in favor of sportsmen shall not extend to anyone engaged in the business of a fur dealer or a trapper or a professional hunter.

(3) The possession of any wild animals, fur bearers, or the raw fur thereof, when the season is not open for the particular species shall be prima facie evidence that the animal was taken out of open season, but this presumption shall not apply to possession of any such animal or fur by a trapper during the open season as prescribed by the Department and fifteen days thereafter, or by a fur buyer during the open season and twenty days thereafter.

Section 53. Section 150.380 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No person shall take more squirrels, rabbits or pond, bull or jumbo frogs in any one day than bag limit prescribed by the De-

partment, but the Department shall not prescribe a bag limit in excess of the following:

Squirrel 6
Rabbits 8
Pond, bull or jumbo frogs 15

No person shall have in his possession at any time more than the number prescribed by the Department except as follows:

(1) A person who has hunted two or more days in succession may have in his possession a total of not more than twice the number allowed by the Department to be taken in any one day.

(2) A person may have in his possession in a cold storage locker, as provided in Kentucky Revised Statutes 150.305, a number not exceeding two days bag limit after the first day of the hunting season.

Section 54. Section 150.390 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No person shall take, pursue, or attempt to take or pursue or otherwise molest any elk, deer, wild turkey or bear.

Section 55. Section 150.398 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

The Commissioner of the Department of Fish and Wild Life Resources, with the approval of the Commission, is authorized to make all regulations adequate and necessary to carry out and enforce the provisions and purposes of Kentucky Revised Statutes 150.399, 150.400 and 150.410.

Section 56. Section 150.399 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

Any trap set, used or maintained in violation of the provisions of Kentucky Revised Statutes 150.400 or 150.410 shall be subject to confiscation as contraband under the provisions of Kentucky Revised Statutes 150.120, except that any trap, set, used or maintained without the tag required by sub-section (2) of Kentucky Revised Statutes 150.410 is hereby declared contraband and shall be so treated without any order of court so declaring.

Section 57. Section 150.400 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) No person shall set, use or maintain, for the purpose of taking wild animals, any steel trap unless the size and type of the trap has been approved, in writing by the Commissioner of the Department of Fish and Wild Life Resources. The Commissioner shall not approve any steel trap:

(a) That has a jaw-spread of more than 5 3/4 inches, or the jaws of which have sharp or jagged edges; or

(b) That has more than one spring for the purpose of closing the jaws or that has a spring which would normally be expected, under ordinary circumstances, to exert a pressure sufficient instantly to cut through or break the leg of any wild animal protected by this chapter; or

(c) The design of which is such that animals may escape easily therefrom with permanent or fatal injury; or

(d) That does not have a swivel as an integral part of the trap or the retaining chain.

(2) The Commissioner shall approve any commercially manufactured trap which is designed to take animals alive and unhurt or to kill instantly.

(3) Subject to the provisions of Kentucky Revised Statutes 150.410 it shall be lawful to use snares, deadfalls, wirecage or box traps, but no person shall set, use or maintain a snare large enough to take deer, elk or bear.

(4) Manufacturers of and dealers in or persons proposing to use steel traps may submit sample traps and specifications thereof to the Commissioner for approval. From time to time the Commissioner shall file with the Secretary of State a list of traps approved by him, stating the name of the manufacturer, the size, number and other information sufficient to identify the trap, and shall furnish copies of such list to each county court clerk and to any other person requesting copies thereof. At least ninety days prior to the beginning of each open season for trapping fur bearing animals, the Commissioner annually shall cause to be published once in at least two daily

newspapers of general circulation in this state a list of all traps which have been approved by him.

(5) If the Commissioner finds that a trap, a sample or the specifications of which are submitted to him, does not meet the requirements of this section and any valid regulation adopted hereunder, he shall notify, in writing, the person submitting the same of such fact and state his reason therefor. Within thirty days from the date of the Commissioner's ruling, the person seeking his approval may appeal therefrom to the Commission, which shall hold a public hearing thereon. If the Commission sustains the Commissioner, the applicant, within thirty days from the date of the order of the Commission, may appeal to the Franklin Circuit Court by filing a copy of the order of the Commission, together with a copy of the record made before the Commission. The procedure in such appeals shall be governed by the provisions of sections 639a-1, Et. Seq. of the Civil Code of Practice.

Section 58. Section 150.410 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) No person shall set a trap on the land of another without written permission of the owner of the land, and he shall exhibit such written consent to any agent or employee of the Department or to any other person lawfully demanding to examine the same.

(2) No person shall set, use or maintain a trap for the purpose of taking wild animals unless there is attached thereto a metal tag giving the name and address of the person setting, using or maintaining the trap. The Commission is authorized to furnish such tag, at cost, to applicants therefor.

(3) Each person who sets, uses or maintains a trap or traps for the purpose of taking wild animals shall, within twenty-four hours from the time such traps are set, give a written description of the location of the trap line, or any changes made therein to the conservation officer for the county in which the traps are located or to the Commissioner. The owner of the land on which traps are set and resident members of their families shall not be required to comply with the provisions of this sub-section.

(4) Each person who sets a trap for the purpose of taking wild

animals shall visit the same at least once every twenty-four hours and release any animal found therein.

(5) No person shall set a trap in such manner as unreasonably to endanger the life or safety of any domestic animal.

Section 59. Section 150.411 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

Every licensed taxidermist shall keep a suitable record in which shall be entered the species of each animal mounted by him and the name and address of the person for whom the mounting was done. Within ten days after the end of each month, he shall send to the Department a report showing the number and name of the animals of each species mounted by him during the preceding month and the name and address of the person for whom each animal was mounted. No animal or bird shall be mounted except during the open season for the particular species, unless a permit be issued therefor by the Commissioner, which permit shall be issued without cost.

Section 60. Section 150.412 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No commercial guide shall participate in the taking of game or fish protected by this chapter beyond the bag limit or creel limit of the person or persons he is guiding.

Section 61. Section 150.415 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

Every licensed fur buyer shall, upon purchasing any raw fur, issue a receipt to the trapper from whom he has purchased such furs, setting forth the number and kind of furs, the date of the purchase, the price paid for each fur and the license number of the trapper license. The buyer shall make out a duplicate receipt at the same time and obtain the signature and address on such duplicate of the trapper from whom the furs were purchased. Not later than March 1st of each year, the buyer shall send duplicate receipts made by him during the preceding year to the Department. Failure on the part of any buyer to comply with the provisions of this section shall bar the licensee from obtaining a license for the following year.

Section 62. Section 150.416 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

Every licensed fur processor shall, within fifteen days after January 1st and July 1st of each year file with the Department an inventory of furs in his possession as of such dates. Every licensed fur processor shall also issue receipts for the total number of furs purchased from fur buyers, each of which shall show the license number of the fur buyer from whom purchased. Duplicates of such receipts shall be sent to the Department with the inventory report.

Section 63. Section 150.417 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

In an prosecution of a nonresident for buying raw fur or furs without a fur buyer's license, proof that such person was in the company of a resident fur buyer at the time the latter purchased a raw fur shall constitute prima facie evidence that such nonresident was engaged in the business of buying raw furs without a license.

Section 64. Section 150.440 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) Except as otherwise provided in this chapter, no person shall take fish from the public waters of this state except by angling.

(2) It shall be lawful for any person holding the proper license to take "rough fish" from any of the public waters of this state, during the open season therefor and within the creel limits set forth in Kentucky Revised Statutes 150.470, by gigging or grabbling. Provided, however, that nothing contained herein shall be construed to legalize the taking of protected fish by such methods and rough fish may only be thus taken by walking or wading in the stream from which the same are taken, and not from a boat, stream bank, pier or wharf. Any protected fish which might be accidentally taken by either of the foregoing methods shall be immediately returned to the stream or waters from which taken, whether the same be dead or alive.

(3) It shall be lawful for any person holding the proper license therefor to take "rough fish," within the creel limits hereinafter specified in Kentucky Revised Statutes 150.470 from any of the public waters of this state by noodling or tickling at any time. Any

protected fish taken by this method must be immediately returned to stream or waters from which taken, whether the same be dead or alive.

(4) The open season for the taking of "rough fish" by gigging or grabbling shall be prescribed by the Department and may be between March 1st and June 1st only, but shall not exceed a total of sixty days, consecutive or otherwise.

Section 65. Section 150.445 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No person shall, within seven hundred yards of the Kentucky Dam on the Tennessee River at Gilbertsville, unless a shorter distance is prescribed by regulation of the Department, nor within two hundred yards of any lock and dam on a navigable stream, take fish other than by pole and line in hand. No person shall place or use any trotline, hand line, set line, throw line or snag line or gig closer to any such lock or dam than the limits hereinabove prescribed.

Section 66. Section 150.450 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) Minnows and crawfish to be used for bait for angling may be taken from the public waters of this state with a twine minnow seine nor more than ten feet in length and four feet in width or height, with mesh not larger than one fourth inch, or with a minnow trap not more than three feet in length and eighteen inches in diameter, with an opening not larger than one inch. Any fish caught which are excluded from the definition of minnows in Kentucky Revised Statutes 150.010 shall be immediately returned, without injury, to the waters from which they are taken.

(2) Any person may take by the use of licensed twine seines, the mesh of which is not less than two inches square or by the use of licensed hoop nets without wings, (or with wings, neither wing of which shall be longer than twenty feet, in the Mississippi River, Kentucky Lake or any of the overflow lakes of Ballard, Carlisle, Hickman or Fulton Counties), any fish from the navigable streams or waters of this lake. Provided, however, that no wing nets shall be placed less than one hundred yards from the mouth of any tributary or inlet of the waters hereinabove specified. No person

shall take any fish by seines or nets or place any seine or net in any of the above mentioned streams or waters within two hundred yards of the mouth of any navigable stream within the state, nor nearer than seven hundred yards below Kentucky Dam on the Tennessee River at Gilbertsville, unless the Department prescribes lesser limits with respect to such dam, nor within two hundred yards of any lock or dam on a navigable stream, nor above the last lock or dam in any navigable stream. The provisions of this sub-section shall apply to "rough fish" only. Any fish protected by this chapter which may be caught in seines or nets shall immediately be returned, without injury, to the waters from which taken.

(3) No person shall operate or have in possession any seines or nets unless he has procured a commercial fishing license or an Ohio River commercial fishing license and a metal tag for the use or possession of each net or seine, and has complied with the provisions of this chapter. The metal tags shall be affixed to and displayed on the seines or nets at all times. This section shall not be construed to require dealers or manufacturers to obtain licenses and tags for seines and nets in their possession for the purchase of sale.

Section 67. Section 150.460 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No person, firm or corporation, whether acting in a private or public capacity, shall place or cause to be placed in any public waters any substance that might injure, interfere with or cause the waters to be unfit for the support of aquatic life. When any employee of a person, firm or corporation, in the course of his employment, places or causes to be placed any such substance in any public waters, his act shall be prima facie evidence of the guilt of both the employee and employer, and either one or both may be punished as provided in paragraph (a) of sub-section (4) of Kentucky Revised Statutes 150.990. Each day that this section is violated shall constitute a separate offense.

(2) No person shall willfully and knowingly kill, injure, shoot, shock or stun or attempt to kill, injure, shoot, shock or stun any fish through the means of any explosive agent or similar substance.

(3) No person shall willfully place or attempt to place in any

of the public waters of the state any substance which has a poisonous effect or intoxicating effect upon aquatic life.

Section 68. Section 150.470 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) No person shall take or have in his possession in any one day more fish than the creel limit prescribed for the species. The Department shall not prescribe creel limits in excess of the following:

SPECIES	CREEL LIMITS
Black Bass	10
Rock bass or goggle-eye	15
Crappie	30
Jack salmon or walleye pike	10
Sand pike or sauger	10
Striped bass	15
Rough fish	
by gigging or grabbling	50
by noodling or tickling	20

Provided, however, that any person having fished two or more days in succession may have in his possession a total of not more than twice the number of any species as may be allowed by the Department to be taken in any one day.

(2) No person shall take or have in his possession any fish smaller than the size limit prescribed for the species. The Department shall not prescribe a size limit smaller than the following:

SPECIES	LENGTH IN INCHES
Black bass (large mouth, small mouth or Kentucky)	10
Jack salmon or walleye pike	13
Sand pike or sauger	10
Muskellunge	24

Section 69. Section 160.480 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) All persons owning dams constructed across any stream, where the annual tides are not sufficiently high to admit the pas-

sage of fish over the dams, shall erect and maintain over the dams, during the months of April, May and June of each year, fish ladders or roads which will permit the passage of fish over the dams.

(2) This section shall not apply to locks and dams constructed across large rivers to facilitate navigation; nor to dams constructed for the purpose of generating electricity, if the height or type of the dams is such that the erection and maintenance of fish ladders or roads would not be effective in allowing the passage of fish over the dam.

Section 70. Section 150.485 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No person shall sell live bait to be used in angling unless he has obtained from the Commissioner a live bait dealer's license. No live bait dealer shall export any minnows or crawfish from this state or sell them to any nonresident if he has reason to believe that such nonresident plans to take the same out of the state.

Section 71. Section 150.500 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

A musseling license shall entitle the holder to operate on any shell bed, but no more than four boats, whether the property of the same licensee or not, shall operate to any one mile of shell bed.

Section 72. Section 150.510 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

On or before December 31st of the year in which any musseling license is issued the holder shall make a written report to the Department of Fish and Wild Life Resources, stating the total weight of mussel shells taken under the license, the names and locations of the waters from which the mussels were taken and the amount received for shells sold. Upon the failure of any licensee to make such report, the Commissioner shall not issue another license until such report is made.

Section 73. Section 150.520 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

The Department shall make such requirements and regulations governing the operations of boats in the taking of mussels as it may

deem best for the proper enforcement of this chapter. To prevent depletion of the mussel beds and to insure proper propagation of the mussels, the Department may close any beds to operators at any time and for such length of time as it deems necessary. During such closed season on any bed no one shall take mussels therefrom. When an order is issued closing any mussel bed, due notice of the same shall be published in at least three consecutive issues of a newspaper of general circulation in the county where the bed is located.

Section 74. Section 150.525 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No person shall engage in the buying of mussel shells or mussels in the shell in this state unless he has in his possession a license authorizing him to do so. The annual fee for such license shall be $100.00 for a resident of this state, and $300.00 for a nonresident of this state. Such licenses shall be issued by the Department, either directly or through such county court clerks as the Commissioner may designate for the purpose.

Section 75. Section 150.590 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

No person shall have in his possession in this state, or bring into this state, any gill nets, trammel nets, illegal seins or any steel traps not authorized by the Commissioner; except that a bonafide wholesaler or manufacturer may have any such devices in his possession for sale to non-residents outside of this state.

Section 76. There is hereby created a new section of Chapter 150 of the Kentucky Revised Statutes, to be numbered and indexed as the Kentucky Statutes Revision Commission shall see fit, and which shall read as follows:

It shall be unlawful for any person to mar, deface, destroy or in any wise damage, or attempt to mar, deface, destroy or damage any sign or posted notice upon any game farm, game or wild life refuge or fish hatchery in the state.

Section 77. Section 150.990 of the Kentucky Revised Statutes of 1948 is hereby amended to read as follows:

(1) Each bird, fish or animal taken, possessed, bought, sold or transported and each device used or possessed contrary to the provisions of this chapter or any regulation adopted by the Commis-

sion thereunder shall constitute a separate offense. The penalties prescribed in this section shall be for each offense.

(2) Any person who violates any of the provisions of this chapter or any regulations adopted by the Commission hereunder, for which no definite fine or imprisonment is fixed by this section, shall be fined not less than $15.00, nor more than $100.00.

(3) Any person who violates any of the provisions of sub-section (3) of the Kentucky Revised Statutes 150.090, sub-section (2) of Kentucky Revised 150.180, Kentucky Revised Statutes 150.300, 150.330 or 150.485 shall be fined not less than $25.00, nor more than $200.00 or imprisoned for not more than six months, or both.

(4) (a) Any person who violates any of the provisions of sub-section (1) of Kentucky Revised Statutes 150.460 shall be fined not less than $100.00 nor more than $1,000.00, or imprisoned for not more than six months, or both.

(b) Any person who violates sub-section (2) or sub-section (3) of Kentucky Revised Statutes 150.460 shall be guilty of a felony and upon conviction shall be confined in the penitentiary for not less than one year nor more than three years and shall be fined not more than $500.00.

(5) Any licensee who violates any provisions of this chapter or any regulation adopted by the Commission thereunder shall, in addition to the penalties provided in sub-sections (2), (3) and (4) of this section, forfeit his license.

(6) Any county court clerk who knowingly makes a false entry upon a license record or report, in violation of sub-section (2) of Kentucky Revised Statutes 150.190 shall be fined not less than $100 nor more than $500.

(7) Any person who violates the provisions of sub-section (2) of Kentucky Revised Statutes 150.185 shall be fined not less than $15.00, nor more than $100.00.

(8) Any person who violates any provision of Kentucky Revised Statutes 150.390 shall be fined not less than $100.00, nor more than $1,000.

(9) Any person who violates Kentucky Revised Statutes 150.525 shall be fined not less than $25.00, nor more than $200.00 or imprisoned for not more than six months, or both.

(10) Any person who violates any regulation which has been

or may be hereafter adopted by the Commission under any provisions of this chapter or which is adopted to supplement, explain, carry out or limit any provision of this chapter, shall be subject to the same penalty as is provided for the violation of the provisions of this chapter under which the regulation is adopted or which the regulation supplements, explains, carries out or limits.

Be it further enacted by the General Assembly of the Commonwealth of Kentucky:

All property of whatsoever description and all moneys belonging to or held by another for the use and benefit of the Kentucky Division of Game and Fish shall, upon the effective date of this Act, become the exclusive property of the Department of Fish and Wild Life Resources. All officers, clerks, employees and other personnel employed by the Division of Game and Fish shall, upon the effective date of this Act, continue to hold and occupy the same status with regard to employment in the Department of Fish and Wild Life Resources and all persons having previously taken and achieved a passing grade on civil service examinations for positions within the Division of Game and Fish, and who have thus obtained a place upon the civil service eligible list of said Division, shall continue after the effective date of this Act to hold their respective positions upon the civil service eligible list of the Department of Fish and Wild Life Resources.

By Mrs. Stovall and Mr. Hilton.

H. B. No. 237. AN ACT relating to medical examination or furnishing of records as a condition of employment.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act;

(1) The term "employer" means and includes an individual, a partnership, an association, a corporation, a legal representative, trustee, receiver, trustee in bankruptcy, and any common carrier by rail, motor, water, air or express company doing business in or operating within the State.

(7) The term "employe" means and includes every person

who may be permitted, required or directed by any employer, as defined in Section 2 in consideration of direct or indirect gain or profit, to engage in any employment.

Sec. 2. It shall be unlawful for any employer to require any employe or applicant for employment to pay the cost of a medical examination or the cost of furnishing any records required by the employer as a condition of employment.

Sec. 3. Any employer who violates the provisions of this Act shall be fined not more than $100.00 for each violation.

H. B. No. 238. AN ACT relating to facilities for cashing checks or drafts issued in payment of wages.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act;

(1) The term "employer" means and includes an individual, a partnership, an association, a corporation, a legal representative, trustee, receiver, trustee in bankruptcy, and any common carrier by rail, motor, water, air, or express company doing business in or operating within the State.

(2) The term "employe" means and includes every person who may be permitted, required or directed by any employer, as defined in Section 2, in consideration of direct or indirect gain or profit, to engage in any employment.

Sec. 2. Any employer paying wages to an employe by check or draft shall provide for such employe facilities for the cashing of such check or draft in lawful money of the United States at a bank or other established place of business within a reasonable distance of the place of employment, without charge or discount by deduction of any kind from the full amount of the check or draft, or the cost of collection in any other manner whatsoever.

Sec. 3. Any employer who violates the provisions of this Act shall be fined not more than $100.00 for each violation.

By Mr. Reasor.

H. B. No. 239. AN ACT to amend and re-enact Section 334 Civil Code of Practice relating to exceptions and time for preparing and filing bill of exceptions.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. An exception to an adverse ruling by the court upon an objection will follow as a matter of course. Time may be given to prepare and tender a bill of exceptions or transcript of evidence beyond the term at which judgment is rendered to a day vacation or a day in but not beyond the succeeding term of court, in either case to be fixed by the court. When same is approved and signed by the then judge of the court and filed with the clerk in vacation, it shall have the same effect as if filed in term time.

2. The judge presiding when a motion is made for an extension of time or when a bill of exceptions or transcript of evidence is tendered, shall have the same authority in respect thereof as the judge who presided at the trial of the case.

3. If through no fault of the party tendering the same, or through unavoidable casualty or misfortune, a bill of exceptions or transcript of evidence shall not have been filed within the time provided in paragraph 1, the court, in its discretion, may, nevertheless, approve the same and order it filed; provided, however, it shall be done before the expiration of the time in which the record must be filed in the office of the clerk of the Court of Appeals, pursuant to Section 738. In such event, the same effect shall be given the record as if it had been filed in time.

H. B. No. 240. AN ACT to amend and re-enact Section 336, Criminal Code of Practice, relating to the time, manner and form of appealing and the suspension of a judgment in a criminal proceeding.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Time and manner of appealing; suspension of judgment. An appeal may be taken by the defendant in the following manner only:

1. *Appeal prayed at term judgment is rendered.* The appeal must be prayed during the term at which the judgment is rendered, and the prayer noted on the record in the circuit court. The appeal shall be granted as a matter of right.

2. *Judgment may be suspended.* When an appeal is prayed the court shall, if the defendant desire it, make an order that the execution of the judgment be suspended until the expiration of the period within which the defendant is required to lodge a transcript of the record in the clerk's office of the Court of Appeals. After the expiartion of such period the judgment shall be executed unless the defendant shall have filed in the clerk's office of the court rendering the judgment, the certificate, as provided in subsection 3 of this section, that the appeal has been taken, or a copy of an order of the Court of Appeals granting further time to lodge the transcript.

3. *Record to be filed in sixty days; certificate of clerk.* The appeal is taken, by lodging in the clerk's office of the Court of Appeals, within sixty days after the judgment, a certified transcript of the record. The clerk of the Court of Appeals shall thereupon issue a certificate that an appeal has been taken, which shall suspend the execution of the judgment until the decision upon the appeal.

4. *Time to prepare bill of exceptions.* If time be given, beyond the term at which the judgment is rendered, to present a bill of exceptions, the transcript of the record may be filed in the clerk's office of the Court of Appeals, within sixty days after the bill of exceptions is made a part of the record.

5. *Statement of appeal.* It shall be the duty of the appellant or appellants to file with the clerk's record a statement showing the names of the appellant or appellants and the term

of court or the day when the judgment appealed from was rendered and the page of the record on which it may be found.

H. B. No. 241. AN ACT relating to expense accounts of State officers and employees.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 45.180 of the Kentucky Revised Statutes, is hereby amended to read as follows:

(1) Each state officer or employe who is authorized by law to receive, from corporations or from the State Treasury or any fund appropriated out of the State Treasury, his traveling or other expenses incident to the discharge of his official duties, shall submit to the Department of Finance an itemized statement of such expense, accompanied by a receipt, on a blank furnished by the Department of Finance, for each item of expense in excess of two dollars, before the department shall audit or pay such expenses.

(2) Each state officer or employe who by reason of the duties assigned to his office, is required to be at the state capital for the majority of the time, or who has an office located at the state capital, shall not be permitted to charge for expenses except from the state capital to the place where the business he is transacting is to be transacted, and from that place back to the state capital, and each officer or employe who is assigned to duty at some place other than the state capital shall only be permitted to charge to the state such expenses as are incurred in going from that place to the place where the business is transacted, and returning. Expenses in going from the state capital or the place where the officer or employe is assigned to duty to the officer's or employe's real place of residence, or in return therefrom, shall not be allowed unless it is shown that it was necessary for him to make the trip in the discharge of business for the state.

H. B. No. 242. AN ACT relating to the Assistant Attorney-General assigned to the Department of Finance.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

(1) The Attorney-General shall, with the approval of the Commissioner of Finance and the Governor, appoint an Assistant Attorney General, who is over twenty-six years of age and who has been a regular practicing attorney for two years, and assign him to the Department of Finance. The Assistant shall advise the Commissioner of Finance, and shall, when called upon to do so by the Commissioner, represent the Department of Finance in any litigation concerning the Department. No other duties shall be imposed upon the Assistant without the consent of the Commissioner of Finance.

(2) The Assistant Attorney-General shall receive a salary to be fixed by the Commissioner of Finance and paid out of the appropriations of said Department.

H. B. No. 243. AN ACT relating to the manner of letting contracts for materials, supplies and equipment: advertisement.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 42.070 of the Kentucky Revised Statutes is hereby repealed, reenacted, and amended to read as follows:

(1) All persons, firms or corporations who are in a position to and desire to bid on and furnish any of the materials, supplies or equipment usually purchased by the Division of Purchases during the year may at any time file with such division its or their name or names, together with the character and kind of such materials, supplies and equipment which it or they may desire to bid on and furnish and such names shall be recorded in some record book kept in the office of said division giving the name and address and such materials, supplies or equipment as each may be able and desires to bid on and furnish, and the Division of Purchases shall mail to those so recorded reasonable written notice of all proposed purchases ex-

cepting purchases of less amount than $300.00. Said notices by mail shall state also the time and place of receiving and opening bids, and any other information said division may deem to be to the best interest of the state, and all said bids shall be made in writing, typewritten or in ink; sealed, and opened and read publicly by said division as they are opened and after due consideration contract shall be awarded to the lowest and best bidder, unless in the discretion of said division, no satisfactory bid has been received, in which event any or all bids may be rejected and new bids requested as herein provided by giving further notice to prospective bidders as herein provided or by advertisement, and pending delay said division may make such purchases as will relieve pressing emergencies. In the event no bids are received, such emergency purchases may be made until new bids are advertised for and received. A statement setting forth the reason for each emergency purchase shall be filed as part of the record on each emergency purchase. In case any or all bids are rejected as unsatisfactory, the said division may negotiate purchase, at a price or prices lower than the lowest and best bid or bids rejected, of any or all of the materials, supplies or equipment proposed to be purchased.

(2) If any person, firm or corporation whose name is registered as herein provided for fails for the period of one year from the date of his registration to make any bid after having been mailed an invitation to bid as herein provided the Division of Purchases shall mail to any such person, firm or corporation a notice to show cause ten days from the date of the mailing of such notice why his name should not be removed from the register of those to whom invitations must be sent. If, in the judgment of the Division of Purchases, any person, firm or corporation registered as herein provided shall, after having received awards of contract or purchase orders, persist in furnishing under such awards of contract or purchase orders, materials, supplies or equipment in quantity or quality less than that contracted for by such award of contract or purchase order, the said division shall mail to him notice to show cause ten days from the date of the mailing of such notice why his name should not be removed from the register of those to whom invitations must be sent. If the person, firm or corporation to whom such

notice to show cause is sent shall request a hearing on the question of the removal of his name from the register, such hearing shall be accorded him by the division, but the decision of the division as to the removal of the name from the register shall be final, provided that after a period of one year from the date of such removal any person, firm or corporation may register as herein provided.

H. B. No. 244. AN ACT relating to the number of copies of Journals and Acts to be printed.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 57.140 of the Kentucky Revised Statutes, 1948 edition, is amended to read as follows:

(1) Three hundred copies of the journal of each house of the General Assembly, and two thousand copies of the Acts of the General Assembly shall be printed.

(2) The Superintendent of Public Instruction shall have printed by the contractor for state printing the following number of copies of the biennial report of the State Board of Education: One copy for each school district, one for each superintendent of schools, seven hundred and fifty copies for the General Assembly and for exchange with superintendents of other states, and five hundred copies for general distribution.

(3) The Commissioner of Agriculture, Labor and Statistics shall have printed not more than five thousand copies of his biennial report for the General Assembly and for general distribution.

(4) Not more than one thousand copies of the report of the State Treasurer, three hundred copies of the report of the Adjutant General, five hundred copies of the report of the trustees of the University of Kentucky and five hundred copies of the annual reports of the Railroad Commission shall be printed.

(5) Subject to the provisions of sub-section (2) and to the maximum limits prescribed in sub-sections (3) and (4) of this

section, the Department of Finance shall determine what parts, if any, of the annual and biennial reports of constitutional administrative departments, and independent agencies, as defined in KRS 12.020, and how many copies of such reports, shall be printed and distributed at public expense.

(6) The Department of Finance may determine the number of copies of any work to be printed or bound where the number or the method of fixing the number is not provided for by statute. If any work is ordered printed, and no number of copies is specified by statute or by the contract or order for printing, only two hundred copies shall be printed.

(7) The Acts, the journals of each house of the General Assembly, the Kentucky Reports, the report of the Commissioner of Agriculture, Labor and Statistics, and one hundred copies of the Governor's message, shall be bound. All other printed matter shall be only stitched, unless otherwise specially ordered.

H. B. No. 245. AN ACT relating to rates for composition for public printing.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 57.230 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) For all composition, in any kind of type, blanks and miscellaneous printing, the rates per one thousand ems shall not exceed the following:

(a) Plain or book composition, one dollar and twenty cents.

(b) Column matter, in three or more columns, depending upon each other, and reading across the page, without rules, two dollars.

(c) Rule, figure work, tabulated, indexing and side note, three dollars.

(d) Original composition transferred from one document to another of whatever character, including leading or unleading

over-running, changing head or foot line and making up forms, fifty cents for each form so charged of whatever size.

(2) No allowance shall be made for correcting forms in any case, except where material alterations have been made in the original copy, in which case an amount not to exceed one dollar and fifty cents shall be allowed for every hour spent in making such corrections.

(3) If, in any branch of printing, tabular statements occur which it is impracticable to print on the ordinary sized pages, the statements shall be printed on tabulary sheets of the necessary size, and the amount of composition shall be ascertained by measuring the printed surface and thereby ascertaining the number of ems.

(4) No composition shall be leaded unless actually required and directed by the Department of Finance in writing. No composition shall be paid for a second time unless the work has actually been done, and then only when unavoidable necessity compels its resetting.

By Mr. William L. Jones.

H. B. No. 246. AN ACT relating to a tax on a judgment decreeing a divorce.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. A tax of twenty-five dollars shall be paid by any party to whom a decree of divorce is granted.

Sec. 2. The tax imposed by Section 1 shall be due and payable at the time of and as a prerequisite to the entry of the judgment and shall be collected by the county clerk, reported by him to the Department of Finance, and paid by him into the State Treasury, for which services the clerk shall receive a commission of five percent of the amount collected, to be retained by him from the sums so reported and paid.

By Mr. Shaw.

H. B. No. 247. AN ACT to amend and re-enact Section 586 of the Kentucky Civil Code of Practice.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

that Section 568 of the Kentucky Civil Code of Practice be and the same is hereby amended and re-enacted so as to read as a whole as follows:

§ 586. EXCEPTION; WHEN TO BE MADE.

1. No exception, other than to the competency of the witness, or to the relevancy or competency of the testimony, shall be regarded, unless it be filed and noted on the record before the commencement of the trial and before or during the first term of the court after the filing of the deposition; PROVIDED, however, that an objection made or exception reserved during the taking of a deposition shall serve the same purpose as a written exception filed in the case, and it shall be the duty of the person taking the deposition to note such objection or exception and incorporate same in the transcript of the deposition.

By Mr. Sheehan.

H. B. No. 248. AN ACT to amend Section 95.495 of the Kentucky Revised Statutes; pertaining to the hours of work and annual leave for members of police departments, cities of second class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 95.495 of the Kentucky Revised Statutes is amended to read as follows:

In all cities of the second class within the Commonwealth of Kentucky, except those in which, by referendum ordinance,

the patrolmen are employed or paid by the day, the members of the police department shall not be required to work more than eight hours per day, for five days each week, except in the event of an emergency.

Each member of the police department in such cities of the second class shall have an annual leave of fifteen days with full pay.

The salary of the members of the police department shall not be reduced by reason of the foregoing.

By Mr. Webb.

H. B. No. 249. AN ACT relating to the preference to be given veterans or veterans' widows in state positions.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Forty percent or more of the appointive positions for which compensation is paid out of state funds shall, if possible, be filled by veterans, regardless of party affiliation, who were residents of Kentucky for at least one year immediately preceding Dec. 7, 1941 and who served honorably in the Armed Forces of the United States for a period of ninety days or more between Dec. 7, 1941 and Dec. 1, 1945. A veteran who is an applicant for a position must meet the educational and physical requirements for the position but if there is a competitive examination for a position a veteran shall be given ten or more percent. Each department or agency of the state shall, biannually, submit a report to the Governor listing the number of veterans having a position in that department or agency. The Governor shall have the report published in two newspapers widely circulated in the state.

Sec. 2. A widow of a veteran who died while in service shall have the same right of employment as a veteran.

By Messrs. Hammons and Marshall.

H. B. No. 250. AN ACT relating to the certification of school teachers, supervisors and administrators.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Any teacher who holds a certificate of qualification and who has completed twenty or more years teaching service in the common schools and has completed a curriculum of ninety semester hours for the training of elementary and high school teachers in a standard college or university, which curriculum meets the minimum standards prescribed by the State Board of Education for the issuance of such certificate, shall upon application have such certificate extended for life.

Sec. 2. Any person who holds a certificate in administration and supervision and who has completed twenty or more years teaching service in the common schools shall upon application have such certificate extended for life.

By Mr. Hammons.

H. B. No. 251. AN ACT relating to the pari-mutuel tax, amending Section 138.510 of the Kentucky Revised Statutes and making an appropriation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Section 138.510 of the Kentucky Revised Statutes is amended to read as follows:

An excise tax is imposed on every person, corporation or association which operates a running or trotting horse race track at which betting is conducted through a pari-mutuel or other similar system. The tax shall be an amount equal to ten percent of the total amount of all money deposited in pari-mutual pools or similar pools (including any pool, such as a daily double pool, even though tickets sold for such a pool are not vended by a

mechanical or electrical device nor the totals of such a pool computed and determined by a totalizator).

Sec. 2. Seventy percent of the revenue received from the tax imposed by KRS 138.510 during the fiscal years of 1950-1951 and 1951-1952 is appropriated to the Common School Per Capita Fund for each of those fiscal years, except that four percent of this seventy percent is appropriated to the Teachers' Retirement Fund for each of those fiscal years.

By Mr. Bridgers.

H. B. No. 252. AN ACT to repeal KRS Section 186.445 now bearing a title reading "License for child to operate motor vehicle of not more than five horse power."

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

That Kentucky Revised Statutes Section 186.445 which reads as follows:

"Notwithtsanding the provisions of subsection (1) of KRS 186.440, any person between the ages of fourteen and sixteen may be granted an operator's license for the operation of a motor vehicle of not more than five horsepower." be and the same hereby is repealed.

By Mr. Combs.

H. B. No. 253. AN ACT changing the classification of the City of Hazard, in Perry County.

Said bill is as follows, viz:

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Hazard, in Perry County, is such as to justify its being assigned to the third class of cities.

NOW THEREFORE

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The City of Hazard, in Perry County, is transferred from the fourth to the third class of cities.

By Mr. Holsclaw.

H. B. No. 254. AN ACT to provide that utility companies serving counties containing cities of the first class shall furnish to the County Tax Commissioner the names and addresses of their customers, including changes thereof.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Each gas, water, electric light and telephone company operating in a county containing a city of the first class shall furnish to the County Tax Commissioner a list showing the names and addresses of all persons, firms, or corporations receiving service from such utilities, and thereafter on every Monday, said utility companies shall furnish to said Tax Commissioner a report containing the names of all persons, firms, or corporations who have, during the week immediately preceding, ordered gas, water, electric light or telephone service to be installed, removed or discontinued, with the addresses at which the services were ordered to be installed, removed or discontinued. Such information shall be treated as confidential and shall be used by said Tax Commissioner only for the purpose of making accurate records; provided, however, that said Tax Commissioner shall permit the City Assessor of said city of the first class and any other taxing bodies of the various governments to examine said records for official purposes only, and said units of government shall treat said information as confidential.

Ordered that said bills be printed and referred.

Resolutions of the following titles were introduced, viz:

By Mr. Martin.

H. Res. No. 26. A RESOLUTION authorizing Philip Thompson to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. That said Philip Thompson, be permitted to sue the Commonwealth of Kentucky in the Metcalfe Circuit Court for such damages as may be the direct result of the deprivation of the use of his property caused by the alleged negligence on the part of the Commonwealth of Kentucky in the maintenance of Rural Highway No. 1014 at or near his property in Metcalfe County, Kentucky.

2. The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth of Kentucky and may settle same before or after suit is filed if he deem it advisable to do so. Any amount recovered shall be paid out of the General Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer, whether recovered by a suit or by settlement with the Attorney General. This resolution shall not be considered as evidence of negligence upon the part of the Commonwealth of Kentucky, or its employes, and shall not be commented upon by the attorneys for plaintiffs in any manner whatsoever at the trial of said action before a jury. This resolution shall be deemed only authority to bring an action, not admission of negligence. The amount of recovery herein shall be limited to a sum not to exceed $1,000. In the event of suit and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

By Mr. Majors.

H. Res. No. 27. A JOINT RESOLUTION authorizing Esther Thomason to file suit against Board of Education of Grayson County, Kentucky.

Said resolution is as follows, viz:

WHEREAS, on December 5, 1947, Esther Thomason attended a public meeting at the school building at Clarkson, Kentucky, which building and grounds were owned by the Board of Education of Grayson County, Kentucky, and used for public school purposes, and on said occasion, and after dark, the said Esther Thomason fell into a deep hole on said school grounds, immediately back of said school building, and was injured severely through the alleged carelessness and negligence of the Board of Education of Grayson County, Kentucky, in failing to maintain a light or guard-railing at said hole,

NOW, in order that said Esther Thomason may have the question of liability determined by judicial action for alleged negligence, carelessness, injury and damages;

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. That Esther Thomason be and she is hereby authorized and permitted to sue the Board of Education of Grayson County, Kentucky, in the Grayson Circuit Court (Kentucky) for such damages, if any, she may have suffered or sustained by any wrongful injury by reason of falling into a hole on the public school grounds at Clarkson, Kentucky, which injuries are alleged to have resulted from the carelessness and negligence of the Board of Education of Grayson County, Kentucky;

That in any action so brought the Board of Education of Grayson County, Kentucky, shall not be permitted to plead or rely upon any statute of limitation provided the action is brought within six months after this resolution becomes effective;

That in the event said Thomason shall recover any judgment against the Board of Education of Grayson County, Kentucky, it may appeal as in other civil cases, or if she fails to recover judgment, she may appeal as in any other civil case;

That any suit so brought may be settled and adjusted by said parties, as in the maner of any other civil suit;

That the amount of any judgment or settlement shall be paid out of the public funds under the control of said Board of Education of Grayson County, Kentucky, upon its order.

2. Nothing contained in this resolution shall be considered by the court or jury as substantive evidence on the merits of the alleged claim, and the court shall instruct the jury that the resolution authorizing the suit shall not be considered as an admission of liability on the part of the Board of Education of Grayson County, Kentucky, or any of its agents or employees, nor an admission that any verdict of any kind whatsoever shall be rendered for the plaintiff.

The amount to be sued for under this resolution shall not exceed the sum of Three Thousand ($3,000.00) Dollars.

By Dr. Sanders and Mr. Runyan.

H. Res. No. 28. JOINT RESOLUTION authorizing John Helton to sue the Commonwealth and Departmet of Highways.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That JOHN HELTON, of McVeigh, Pike County, Kentucky, is authorized to sue the Commonwealth of Kentucky, in the Pike Circuit Court, for damages resulting from personal injuries and for medical expenses caused by alleged negligence on the part of the Commonwealth of Kentucky, its Department of Highways, by and through its officers, agents and employees, acting or failing to act in the line of duty as agents of the Commonwealth.

The Attorney General of the Commonwealth of Kentucky, may investigate the claim herein and settle same before or after suit is filed if he deems settlement to be to the best interest of the Commonwealth. Any amount recovered in any action filed pursuant to this Resolution, or by settlement with the Attorney General, shall be paid out of the road fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer. In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this Resolution shall be considered by

either the court or the jury as an admission of negligence upon the part of the Commonwealth and this Resolution shall not be introduced as evidence for either party nor commented upon by counsel in argument to the jury.

By Mr. Majors.

H. Res. No. 29. A JOINT RESOLUTION authorizing Pirtle Thomason to file suit against Board of Education of Grayson County, Ky.

Said resolution is as follows, viz:

WHEREAS, on December 5, 1947, Pirtle Thomason attended a public meeting at the school building at Clarkson, Kentucky, which building and grounds were owned by the Board of Education of Grayson County, Kentucky, and used for public school purposes, and on said occasion, after dark, the said Pirtle Thomason fell into a deep hole on said school grounds, immediately back of said school building, and was injured severely through the alleged carelessness and negligence of the Board of Education of Grayson County, Kentucky, in failing to maintain a light or guard-railing at said hole,

NOW, in order that said Pirtle Thomason may have the question of liability determined by judicial action for alleged negligence, carelessness, injury and damages;

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. That Pirtle Thomason be and he is hereby authorized and permitted to sue the Board of Education of Grayson County, Kentucky, in the Grayson Circuit Court (Kentucky) for such damages, if any, he may have suffered or sustained by any wrongful injury by reason of falling into a hole on the public school grounds at Clarkson, Kentucky, which injuries are alleged to have resulted from the carelessness and negligence of the Board of Education of Grayson County, Kentucky;

That in any action so brought the Board of Education of Grayson County, Kentucky, shall not be permitted to plead or

rely upon any statute of limitation provided the action is brought within six months after this resolution becomes effective;

That in the event said Thomason shall recover any judgment agaist the Board of Education of Grayson County, Kentucky, it may appeal as in other civil cases, or if he fails to recover judgment, he may appeal as in any other civil case;

That any suit so brought may be settled and adjusted by said parties, as in the manner of any other civil suit;

That the amount of any judgment or settlement shall be paid out of the public funds under the control of said Board of Education of Grayson County, Kentucky, upon its order.

2. Nothing contained in this resolution shall be considered by the court or jury as substantive evidence on the merits of the alleged claim, and the court shall instruct the jury that the resolution authorizing the suit shall not be considered as an admission of liability on the part of the Board of Education of Grayson County, Kentucky, or any of its agents or employees, nor an admission that any verdict of any kind whatsoever shall be rendered for the plaintiff.

The amount to be sued for under this resolution shall not exceed the sum of Three Thousand ($3,000.00) Dollars.

Ordered that said resolutions be printed and referred.

REPORT OF COMMITTEES

The Committees to which the same had previously been referred reported bills and resolutions of the following titles, viz:

By Mr. Mackey of the Committee on Cities of the Fifth Class.

S. B. No. 7. AN ACT changing the classification of the City of Greensburg in Green County, and declaring an emergency.

H. B. No. 90. AN ACT changing the classification of the City of Jamestown, in Russell County, and declaring an emergency.

H. B. No. 109. AN ACT changing the classification of the City of Munfordville, in Hart County.

By Mr. Spaulding of the Committee on Cities of the Second Class.

H. B. No. 96. AN ACT relating to the indexing of real property records in counties containing a city of the second class, including provisions concerning the compensation of persons employed to keep the index systems; amending Section 382.220 of the Kentucky Revised Statutes.

H. B. No. 70. AN ACT providing that in any county containing a city of the second class and having a population of less than seventy-five thousand, and in which the county clerk shall have had his official bond executed by an incorporated surety company, the amount paid by such clerk as premium on such bond shall not be computed as part of the net compensation which he receives or retains for his services.

H. B. No. 121. AN ACT relating to juries in police courts in cities of the second class.

H. B. No. 177. AN ACT relating to cities of the second class.

By Mr. Baer of the Committee on Codes and Practice.

H. B. No. 165. AN ACT relating to civil practice and procedure and particularly the code of practice in civil cases; providing for a civil code committee; prescribing powers and duties of such committee and additional powers and duties of the Statute Revision Commission; and making an appropriation.

H. B. No. 122. AN ACT relating to the taking of depositions in a criminal case, amending Section 153 of the Criminal Code of Practice.

By Mr. Hanratty of the Committee on Kentucky Statutes No. 1.

H. B. No. 148. AN ACT amending Sections 176.260 and 176.270 of the Kentucky Revised Statutes relating to the fiscal year for the Department of Highways and the State Road Fund, thereby permanently changing the fiscal year and extending each fiscal year in order to effect the change.

With Committee amendment thereto.

Said Committee amendment to said bill is as follows, viz:

Amend printed copy of H. B. No. 148 on page 2, section 3, line 3, by deleting line 3 thereof and substituting therefor the following:

"ends June 30, 1951, in addition to other monies that may already."

H. B. No. 24. AN ACT relating to deadly weapons.

With Committee amendments thereto.

Said Committee amendments to said bill are as follows, viz:

Committee Amendment No. 1. Amend printed copy of H. B. No. 24 on page 1, section 1, lines 7 through 12, inclusive by deleting therefrom

lines 7 through 12, inclusive, and inserting, in lieu thereof, the following:

"than $10 nor more than $500, or imprisoned in the County Jail for not less than 10 days nor more than 6 months, or both."

Committee Amendment No. 2. Amend printed copy of H. B. No. 24 on page 1, section 1, lines 20 through 28, inclusive by deleting therefrom lines 20 through 28 inclusive.

S. B. No. 30. AN ACT relating to nonprofit corporations, associations or societies, amending Section 273.050 of the Kentucky Revised Statutes, and declaring an emergency.

H. B. No. 136. AN ACT relating to Revenue and Taxation; repealing Section 138.356 Kentucky Revised Statutes.

H. B. No. 138. AN ACT relating to the condemnation of property for road and bridge purposes and related purposes by the Commonwealth for the use and benefit of the Department of Highways.

H. B. No. 139. AN ACT relating to the condemnation of property for road and bridge purposes and other related purposes by the Commonwealth of Kentucky for the use and benefit of the Department of Highways.

H. B. No. 135. AN ACT relating to report filing date, method of payment and penalties pertaining to taxes on gasoline and other motor fuels.

H. B. No. 140. AN ACT relating to the escheat of funds represented by unclaimed pari-mutuel wininng tickets.

H. B. No. 141. AN ACT relating to revenue and taxation of Public Utility Gross Receipts.

H. B. No. 137. AN ACT relating to revenue and taxation of amusement admissions; amending Section 138.030 Kentucky Revised Statutes.

H. B. No. 146. AN ACT amending Section 45.230 of the Kentucky Revised Statutes extending the time from three months to one year in which obligations incurred by the Department of Highways may be paid.

H. B. No. 142. AN ACT providing for the employment of a county road engineer, and establishing his qualifications.

H. B. No. 131. AN ACT relating to bonds of state officers and employees.

H. B. No. 57. AN ACT relating to the State Fair Board, amending Section 247.110 of the Kentucky Revised Statutes.

H. Res. No. 5. JOINT RESOLUTION authorizing Mrs. J. H. Stewart, Administratrix of the estate of Hay Stewart, deceased, to file suit agaianst the Commonwealth of Kentucky.

With the expression of opinion that same should pass.

Whereupon, said bills and said resolution were each and severally read at length the first time and

Ordered placed in the Calendar.

By Mr. Henry of the Committee on State Fair.

H. B. No. 62. AN ACT relating to the Kentucky State Fair, amending Section 247.130 of the Kentucky Revised Statutes.

Without expression of opinion.

By Mr. Hanratty of the Committee on Kentucky Statutes No. 1.

H. B. No. 68. AN ACT relating to the compensation of coroners, amending Section 64.180 of the Kentucky Revised Statutes.

H. B. No. 85. AN ACT relating to the General Assembly, including provisions concerning the acceptance of office or employment by members thereof and including provisions concerning employes of the General Assembly.

H. B. No. 12. AN ACT relating to contracts and separate estate of married women, amending KRS 404.010.

H. B. No. 107. AN ACT relating to contracts and separate estate of married women, amending KRS 404.010.

H. B. No. 30. AN ACT relating to evidence, competency of witnesses, amending Section 455.090 of the Kentucky Revised Statutes and subsection (3) of section 606 of the Civil Code of Practice.

H. B. No. 79. AN ACT relating to compensation and fees of coroners.

H. Res. B. A RESOLUTION proposing amendments to

the Rules of the House of Representatives for the 1950 Regular Session.

H. B. No. 2. AN ACT entitled an act making the stealing of licensed dogs a misdemeanor and fixing a punishment therefor.

With the expression of opinion that said bills and said resolution should not pass.

No motion having been made to advance said bills and said resolution to a first reading, the report of the committee to the contrary notwithstanding, and no further action having been taken on said bills and said resolution, it was ordered that said bills and said resolution be not read at length for the first time and

So said bills and said resolution were rejected.

Mr. Hilton moved that the rules be suspended for the purpose of introducing bills.

Said motion was agreed to by a majority of the members elected.

Thereupon, bills of the following titles were introduced, viz:

By Mr. Hilton.

H. B. No. 255. AN ACT relating to elections, both regular and primary, with particular relation to the hours the polls are to be open, and the hour the board of election commissioners shall meet for the purpose of counting the ballots.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 118.040 of the Kentucky Revised Statutes is amended to read as follows:

The polls shall be opened at 6 a.m. and kept open continuously until 6 p.m. of the same day. Before receiving any ballots, the officers of election shall cause to be proclaimed that the election is opened.

Section 2. Section 119.040 of the Kentucky Revised Statutes is amended to read as follows:

The primary election for the nomination of candidates by political parties to be voted for at the next regular election shall be held on the first Saturday in August of each year between the hours of 6 a.m. and 6 p.m., at the regular polling places in each election precinct.

Section 3. Subsection (1) of Section 118.350 of the Kentucky Revised Statutes is amended to read as follows:

(1) When the hour of 6 p.m. arrives the election officers shall announce the fact at the door of the voting room and close the polls. They shall take charge of the ballot box, and in the presence of each other shall place the lock on the small vent in the lid and securely lock it. The election officers shall then place upon all unused stubs and ballots, with rubber stamp or by writing, the word, "Unused," and place them, with the stub book and other utensils or election material, into the linen envelope provided by the county clerk for the purpose, and shall seal with sealing wax across the seal of the envelope and place the county election seal upon the wax, so as to make the letters plainly visible in three different places on the envelope. The sheriff of election and the judge of opposite faith shall forthwith convey the ballot box, the key to the vent lock, and the envelope to the county clerk, taking his receipt therefor. The sheriff and judge shall see that no person other than themselves has access to, or custody of, the ballot box, and they shall each remain in the presence of the other until the box, key and envelope are delivered to the county clerk.

Section 4. Subsection (3) of Section 118.370 of the Kentucky Revised Statutes is amended to read as follows:

(3) The county board of election commissioners shall meet for the purpose of counting the ballots, issuing certificates and

making a report, at 7 p.m. on the day of the election, in the office of the county clerk or in some other room designated by the board. The board shall proceed as speedily as practicable to count the ballots of every precinct in the county. At the finish of each precinct the board shall announce the results at the door of the room where the count is being conducted, and shall fill out the blank in the back of the stub book provided for that purpose, and each commissioner shall sign the blank in the proper place. The board shall remain in session for the purpose of ascertaining the results of the election until midnight on the election day, and if the count is not then completed it may then adjourn until the following day at 8 a.m., unless the following day is a Sunday, in which case it shall adjourn until 8 a.m. on the day following the Sunday. If the day following the election is a legal holiday, the board may adjourn until 8 a.m. on the day following the legal holiday. On the adjourned day the board shall remain in session, if necessary to complete the count, until 6 p.m., or longer in its discretion. If the count is not then completed, the board shall reconvene during the same hours on each succeeding day, except Sundays and on such legal holidays as the board decides not to meet, until the count is completed.

By Mr. Love.

H. B. No. 256. AN ACT relating to the refund of the excise tax imposed upon gasoline and repealing, amending and re-enacting Section 138.354 of the Revised Kentucky Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 138.354 of the Kentucky Revised Statutes is amended and re-enacted to read as follows:

138.354 Revocation of permits and privileges for violations. (1) No person shall make a false or fraudulent statement in an application for a refund permit or in a gasoline refund invoice, or in an application for a refund of any taxes KRS 138.343 to 138.357; or fraudulently obtain a refund of such taxes; or knowingly aid or assist

in making any such false or fraudulent statement or claim; or having bought gasoline under the provisions of KRS 138.343 to 138.357, shall use or permit such gasoline or any part thereof to be used for any purpose other than as provided in KRS 138.344.

(2) The refund permit of any person who shall violate any provision of subsection (1) of this section shall be revoked by the Kentucky Tax Commission, and may not be reissued until two years have elapsed from the date of such revocation; provided, that the revocation may, in the discretion of the Commission, in the case of first offenders be commuted to a suspension of not less than six months.

(3) The refund permit of any person who shall violate any provision of KRS 138.343 to 138.357, other than those contained in subsection (1) of this section, may be suspended by the Kentucky Tax Commission for any period in its discretion not exceeding six months.

(4) If a dealer violates any provision of KRS 138.343 to 138.357, his privilege to sign gasoline refund invoices may be suspended by the Kentucky Tax Commission for a period of not more than two years. No refund shall be made on gasoline purchased from a dealer while a suspension of his privilege to sign gasoline refund invoices is in effect.

H. B. No. 257. AN ACT relating to the refund of the excise tax imposed upon gasoline and repealing, amending and re-enacting Section 138.344 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 138.344 of the Kentucky Revised Statutes is amended and re-enacted to read as follows:

138.344 Authorization of refund of ninety percent of tax paid on gasoline used in farm tractors and stationary engines;

conditions of refund. Any person who shall use any gasoline, other than on public highways, on which the tax as imposed by KRS 138.220 has been paid, for the purpose of operating or propelling stationary gasoline engines or tractors for agricultural purposes, shall be reimbursed to the extent of ninety percent of the amount of the tax so paid on such gasoline; provided, however, that no refund shall be authorized unless applications therefor and all necessary information shall be filed with the Department of Revenue within one year from the date of purchase; and further provided that no refund shall be authorized for purchases of less than fifty gallons at any one time; and further provided that no refund shall be authorized unless the amount due is as much as five dollars.

Ordered that said bills be printed and referred.

CALENDAR

The House took up for consideration from the Calendar resolutions of the following titles, viz:

H. Res. No. 17. A JOINT RESOLUTION providing for Homecoming Year in the Commonwealth of Kentucky in cooperation with the State Chamber of Commerce, and further providing that the Governor of the Commonwealth may use from his emergency fund, within his discretion, such sums as may be deemed necessary to properly advertise and promote the "Homecoming Year"; and declaring an emergency.

H. Res. No. 10. A JOINT RESOLUTION authorizing Johnie Hale of Prestonsburg, Kentucky, to sue the Commonwealth of Kentucky.

Ordered that said resolutions be read at length the second time.

Mr. Hanratty moved that the Constitutional provision as to the second reading at length of said resolutions be dispensed with, and same be read for the second time by their titles only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said resolutions having been dispensed with, said resolutions were read for the second time by their titles only and

Ordered placed in the Orders of the Day.

Mr. Polsgrove moved that the rules be suspended for the purpose of making a motion.

Said motion was disagreed to.

The House then took up for consideration from the Orders of the Day a bill of the following title, viz:

H. B. No. 37. AN ACT repealing subsection 24 of Section 95.050 of Kentucky Revised Statutes, and to enact in lieu thereof new provisions relating to the time of holding Circuit Court in Lawrence and Johnson County, and when re-enacted will read as follows.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. 24th Judicial District, Johnson County at Paintsville, on 3rd Monday in January, 3rd Monday in April, 2nd Monday in September. 24 Judicial days each. Lawrence County at Louisa, 2nd Monday in March, 3rd Monday in June, and 4th Monday in October. 24 Judicial days each.

Ordered that said bill be read at length the third time.

Mr. Marshall moved that the Constitutional provision as to the third reading at length of said bill be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third

reading at length of said bill having been dispensed with, said bill was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said bill in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Harold G. Helm	Leonard W. Preston
Edgar Arnett	William K. Henry	W. R. Reasor
Sidney Baer	Chester J. Holsclaw	LeRoy Saylor
Leonard T. Bean	W. M. Horn, Jr.	Roy Searcy
John D. Beatty	Silas Jacobs	James S. Shaw
Fred Beshear	Barkley Jones	Gus Sheehan, Jr.
L. E. Bradley	James W. Lambert	Jesse H. Shelton
Thomas L. Britton	Jesse H. Lawrence	Forest Smith
Charles J. Bronston	Mrs. J. T. Linton	Joseph T. Snapp
J. D. Buckman, Jr.	Homer E. Losey	John M. Spaulding
Charles W. Burnley	A. L. (Chick) Love	Roy Steers
Alex Calvert	Harry K. Lowman	Raymond D. Stigall
Stanley Carter	True Mackey	Mrs. Thelma Stovall
Paul Combs	John Martin	W. R. Stringer
Josh R. Cosby	William T. Marshall	Egbert V. Taylor
B. H. Crider	Jack McPherron	M. G. Thompson
G. I. Drury	Alton Mitchell	Rev. T. H. Tinsley
Thomas R. Duncan	Archie R. Moore	Fred M. Warns
Roscoe C. Estepp, Sr.	Walter R. Moorman	Harry L. Waterfield
Mitchell S. Fannin	Fred H. Morgan	Lyle H. Webb
C. A. Hammons	C. S. Nabb	Morris Weintraub
George F. Harris	Dr. C. E. Palmore	G. F. Williamson
John A. Head	James H. Polsgrove	Charles W. Wirsch

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Resolved that the title thereof be as aforesaid.

Mr. Marshall moved that the vote by which said bill was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The Speaker announced that he had referred bills and a resolution heretofore introduced or reported as follows, viz:

House Bill No. 192—Committee on Courts
House Bill No. 193—Committee on Revenue and Taxation No. 1
House Bill No. 194—Committee on Public Utilities No. 1
House Bill No. 195—Committee on Kentucky Statutes No. 1
House Bill No. 196—Committee on Ways and Means
House Bill No. 197—Committee on Ways and Means
House Bill No. 198—Committee on Trade and Commerce
House Bill No. 199—Committee on Soil Conservation and Erosion
House Bill No. 200—Committee on Appropriations
House Bill No. 201—Committee on Libraries and Historical Records
House Bill No. 202—Committee on Kentucky Statutes No. 1
House Bill No. 203—Committee on Cities of Fifth Class
House Bill No. 204—Committee on Revenue and Taxation No. 1
House Bill No. 205—Committee on Kentucky Statutes No. 2
House Bill No. 206—Committee on Cities of Fourth Class
House Bill No. 207—Committee on Kentucky Statutes No. 1
House Bill No. 208—Committee on Public Health
House Bill No. 209—Committee on Revenue and Taxation No. 1
House Bill No. 210—Committee on Appropriations
House Bill No. 211—Committee on Kentucky Statutes No. 1
House Bill No. 212—Committee on Kentucky Statutes No. 2
House Bill No. 213—Committee on Charitable and Penal Institutions
House Bill No. 214—Committee on Cities of Second Class
House Bill No. 215—Committee on Cities of Fourth Class
House Bill No. 216—Committee on Kentucky Statutes No. 1
House Bill No. 217—Committee on Kentucky Statutes No. 1
House Bill No. 218—Committee on Suffrage and Elections
House Bill No. 219—Committee on Suffrage and Elections
House Bill No. 220—Committee on Kentucky Statutes No. 1
House Bill No. 221—Committee on Kentucky Statutes No. 1
House Bill No. 222—Committee on Kentucky Statutes No. 1
House Bill No. 223—Committee on Kentucky Statutes No. 1

House Bill No. 224—Committee on Kentucky Statutes No. 1

House Bill No. 180—Committee on Revenue and Taxation No. 1

House Bill No. 181—Committee on Insurance, Life and Casualty

House Bill No. 182—Committee on Kentucky Statutes No. 1

House Bill No. 183—Committee on Cities of Fourth Class

House Bill No. 184—Committee on Kentucky Statutes No. 1

House Bill No. 185—Committee on Criminal Law

House Bill No. 186—Committee on Cities of First Class

House Bill No. 187—Committee on Revenue and Taxation No. 1

House Bill No. 188—Committee on Education No. 1

House Bill No. 189—Committee on Revenue and Taxation No. 1

House Bill No. 190—Committee on Revenue and Taxation No. 1

House Bill No. 191—Committee on Ways and Means

House Res. No. 23—Committee on Claims

Senate Bill No. 3—Committee on Ways and Means

Senate Bill No. 4—Committee on Cities of Fourth Class

Senate Bill No. 38—Committee on Cities of Second Class

Senate Bill No. 39—Committee on Cities of Second Class

Senate Bill No. 50—Committee on Cities of Fourth Class

Mr. Hanratty moved that the House do now adjourn to the time previously agreed upon.

Said motion was agreed to.

And then the House adjourned.

MONDAY, FEBRUARY 6, 1950

The House convened and was called to order by the Honorable Adron Doran, Speaker.

The House was opened with prayer by Reverend Will B. Campbell, of the Methodist Church, Frankfort, Kentucky.

The roll of the House was called and the following members answered to their names, viz:

Bernam Adams	John A. Head	C. S. Nabb
Bill Adams	William K. Henry	Dr. C. E. Palmore
Edgar Arnett	Ray Holbrook	James H. Polsgrove
Sidney Baer	Woodrow W. Hollan	W. R. Reasor
Walter J. Bailey	Chester J. Holsclaw	Carl J. Ruh
Clarence J. Barnum	W. M. Horn, Jr.	Amos Runyan
C. E. Baumgardner	Richard R. Houpt	Dr. Roy Sanders
John D. Beatty	Durham W. Howard	LeRoy Saylor
Fred Beshear	Maurice G. Howard	Roy Searcy
L. E. Bradley	Robert N. Hubbard	Paul E. Shannon
Edward O. Bridgers	Silas Jacobs	Gus Sheehan, Jr.
Thomas L. Britton	Paul S. Jonas	Jesse H. Shelton
Charles J. Bronston	Barkley Jones	Forest Smith
J. D. Buckman, Jr.	James W. Lambert	Joseph T. Snapp
Mrs. M. E. Burnett	Jesse H. Lawrence	John M. Spaulding
Alex Calvert	Mrs. J. T. Linton	J. Claude Stacy
Stanley Carter	A. L. (Chick) Love	Mrs. Thelma Stovall
Paul Combs	Harry K. Lowman	W. R. Stringer
Josh R. Cosby	True Mackey	M. G. Thompson
B. H. Crider	Damon Majors	Rev. T. Herbert Tinsley
Owen Deering	John Martin	Ralph N. Walter
G. I. Drury	Wm. T. Marshall	Fred M. Warns
Thomas R. Duncan	G. Lee McLain	Harry Lee Waterfield
R. C. Estepp, Sr.	Jack McPherron	Lyle H. Webb
Mitchell S. Fannin	Alton Mitchell	George F. Williamson
Henry C. Hale	Archie R. Moore	Charles W. Wirsch
C. A. Hammons	Emmett G. Moore	Adron Doran, Speaker
James P. Hanratty	Walter R. Moorman	
George F. Harris	Fred H. Morgan	
Paul E. Hayes		—86

Mr. Harris moved that leaves of absence be granted to Messrs. Bean, Blevins, Burnley, Helm, Hilton, William Jones, Losey, Preston, Rayburn, Shaw, Steers, Stigall, Taylor, and Weintraub.

Said motion was agreed to.

Mr. Harris moved that the reading of the Journal of the proceedings of Thursday, February 2, 1950, be dispensed with and the same be approved.

Said motion was agreed to.

Mr. Thompson moved that the rules be suspended and the privilege of the floor extended to the Country Chapel Quartette of Lincoln County, Kentucky, to present fifteen minutes of song and music.

Said motion was agreed to.

Mr. Runyan moved that the rules be suspended for the purpose of introducing guests.

Said motion was agreed to.

Mr. Runyan moved that the privilege of the floor be extended to Mr. and Mrs. J. A. Runyan.

Said motion was agreed to.

Mr. Polsgrove moved that the privilege of the floor be extended to Mr. and Mrs. George H. Esselman, Jr., and Mr. L. Raymond Stovall.

Said motion was agreed to.

Mrs. Stovall moved that the privilege of the floor be extended to Mr. E. E. Lester, Mr. Roy E. Barton, and Mr. W. L. Meredith.

Said motion was agreed to.

Mr. Searcy moved that the privilege of the floor be extended to Colonel William Broberg.

Said motion was agreed to.

Mr. Barkley Jones moved that the privilege of the floor be extended to Messrs. Ralph Taylor and Louis J. Boyad.

Said motion was agreed to.

Mr. Deering moved that the privilege of the floor be extended to Mrs. Stanley Carter and Stanley Carter, Jr.

Said motion was agreed to.

Mr. Walter moved that the privilege of the floor be extended to Mrs. W. B. Bush and Mr. Rue.

Said motion was agreed to.

Mr. Hollan moved that the privilege of the floor be extended to Messrs. Mervin Eugene Lovings and L. K. Rice.

Said motion was agreed to.

Mr. Tinsley moved that the privilege of the floor be extended to Mrs. Linnie McLaughlin, Messrs. Tom Graham and Johnny Crimmins.

Said motion was agreed to.

Mr. Drury moved that the privilege of the floor be extended to Mr. Sam Hughes.

Said motion was agreed to.

Mr. Henry moved that the privilege of the floor be extended to Mrs. Davis Henry, Mrs. James Clay Nutter, Mrs. John Kemple, Mrs. Roy Searys, Miss Billie Sue Van Dyke, and Mr. Jim Nutter.

Said motion was agreed to.

Mr. Majors moved that the privilege of the floor be extended to Mr. Marion E. Higgs, of Caneyville, Kentucky.

Said motion was agreed to.

Mr. Drury moved that Master Stanley Carter be made an Honorary Page for the day only.

Said motion was agreed to.

Resolutions of the following titles were introduced, viz:

By Mr. Bernam Adams.

H. Res. No. 30. A RESOLUTION authorizing Elizabeth J. Crowe to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. That Elizabeth J. Crowe is authorized to sue the Commonwealth of Kentucky in the Clark Circuit Court for damages to her person resulting from the collision of an automobile driven by her husband, E. G. Crowe, in which she was a passenger, and an automobile owned by the Commonwealth of Kentucky and the Kentucky State Police, and driven by Sam Buford, an agent, servant and employee of said Kentucky State Police and of said Commonwealth of Kentucky, which accident occurred on State Highway 15 in Clark County, Kentucky at a point about 7 miles east of Winchester, Kentucky on October 16, 1949, and which accident was caused by the alleged negligence of said Buford while acting within the course of his employment and within the scope of his authority.

2. Said suit shall be for a sum not in excess of $2,000.00.

3. The Attorney General of the Commonwealth of Kentucky may investigate the claim herein and settle same before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the General Fund upon warrant drawn by the Commissioner of Finance upon the State Treasury.

4. In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

5. No statement in this Resolution shall be considered by the Court or jury as an admission of negligence on the part of the Commonwealth or any of its officers, and this Resolution shall not be introduced as evidence nor commented upon by counsel in arguments to the jury.

H. Res. No. 31. A RESOLUTION authorizing E. G. Crowe to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. That E. G. Crowe is authorized to sue the Commonwealth of Kentucky in the Clark Circuit Court for damages to his automobile resulting from a collision between his automobile and an automobile owned by the Commonwealth of Kentucky and the Kentucky State Police, and driven by Sam Buford, an agent, servant and employee of said Kentucky State Police, and of said Commonwealth of Kentucky, which accident occurred on State Highway 15 in Clark County, Kentucky, at a point about 7 miles east of Winchester, Kentucky, on October 16, 1949, and which accident was caused by the alleged negligence of said Buford while acting within the course of his employment and within the scope of his authority.

2. Said suit shall be for a sum not in excess of $1,000.00.

3. The Attorney General of the Commonwealth of Kentucky may investigate the claim herein and settle same before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the General Fund upon warrant drawn by the Commissioner of Finance upon the State Treasury.

4. In the event suit is filed and judgment rendered by the Circuit Court, either party may appeal to the Court of Appeals of Kentucky.

5. No statement in this Resolution shall be considered by the Court or jury as an admission of negligence on the part of the Commonwealth or any of its officers, and this Resolution shall not be introduced as evidence nor commented upon by counsel in arguments to the jury.

By Mr. Carter.

H. Res. No. 32. A JOINT RESOLUTION authorizing and directing the payment of the sum of $1899.00 to C. B. Wilson, for salary due him and expenses incurred by him as deputy sheriff of Woodford County, Kentucky, and appropriating that sum from the State Treasury.

Said resolution is as follows, viz:

WHEREAS, C. B. Wilson, a former deputy sheriff of Woodford County, Kentucky, did in the years of 1946 and 1947, in the performance of his official duties, pursue and apprehend certain

persons who were guilty of the theft of tobacco in Woodford County, Kentucky, and

WHEREAS, such pursuit necessitated extensive travel both within and without the Commonwealth of Kentucky and said C. B. Wilson did thereby incur expenses in the sum of $1250.00, and

WHEREAS, said C. B. Wilson agreed to a reduction of salary in the sum of $59.00 per month while on such assignment upon the sheriff's promise to reimburse him therefor, and

WHEREAS, he was on such assignment for eleven months and is entitled to reimbursement to the extent of $649.00, which sums have not been paid, upon demand, by the sheriff of Woodford County nor the fiscal court of said county;

NOW THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That the sum of $1899.00 is appropriated out of the General Expenditure Fund in the State Treasury, for the purpose of paying the claim of C. B. Wilson, of Woodford County, for salary due him and expenses incurred by him in the performance of his duties as deputy sheriff of Woodford County, Kentucky, during the years of 1946 and 1947. The Commissioner of Finance is hereby directed to draw his warrant upon the State Treasurer, in favor of said C. B. Wilson for said amount, and the State Treasurer, upon presentation of the warrant, is directed to issue a check in favor of the said C. B. Wilson in the amount of $1899.00.

Bills of the following titles were introduced, viz:

By Mr. Hanratty.

H. B. No. 258. AN ACT relating to motor transportation and motor vehicles.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1. *Declaration of Policy.* It is hereby declared to be the public policy of this Commonwealth to provide for fair and im-

partial regulation of all transportation subject to the provisions of this Act, so administered as to recognize and preserve the inherent advantages of each type of motor transportation; to promote safe, adequate, economical and efficient service and foster sound economic conditions in transportation and among the several carriers; to encourage the establishment and maintenance of reasonable charges for such transportation service, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; to co-operate with the several states and the duly authorized officials thereof, all to the end of developing, co-ordinating and preserving a State transportation system by motor vehicles as defined in this Act adequate to meet the needs of this Commonwealth. All of the provisions of this Act shall be administered and enforced with the view to carry out the above declaration of policy.

2. To carry out the declaration of policy, there is hereby created a statutory administrative department of the State government within the meaning of K. R. S. Chapter 12, which shall be known and designated as the Department of Motor Transportation.

3. The Department of Motor Transportation shall be headed by the Commissioner of Motor Transportation, appointed by the Governor, who shall be the chief executive officer and shall have sole charge of the administration of the Department.

4. The Commissioner shall appoint not more than two assistant commissioners and such other personnel as may be necessary for the proper administration of the Department.

5. *Qualifications of Commissioner and Assistant Commissioners.* The Commissioner and assistant commissioners shall be over twenty-eight years of age, shall be residents of Kentucky for more than five years, and shall be selected on the basis of training, experience and qualification for their position.

6. The Department of Motor Transportation shall exercise all administrative functions of the State in relation to motor transportation as defined in this Act, and shall apply, as far as practicable, the administrative and judicial interpretations of the Federal Motor Carrier Act. It shall have the right to regu-

late motor carriers as provided in this Act, and to that end may establish reasonable requirements with respect to continuous and adequate service of transportation, systems of accounts, records and reports, preservation of records and safety of operation and equipment. It may issue subpoenas, subpoenas duces tecum and orders of personal attendance for the attendance of witnesses, and production of pertinent records, for any proceeding before it, and permit the taking of depositions, all in accord with the Civil Code of Practice, and it shall have the power to make such rules and regulations as it may deem necessary to carry out the provisions of this Act.

7. *Definitions.* As used in this Act, unless the context requires otherwise,—

(a) The term "person" means any individual, firm, partnership, corporation, company, association or joint stock association, and includes any trustee, assignee or personal representative thereof.

(b) The term "department" means the Department of Motor Transportation.

(c) The term "certificate" means a certificate of public convenience and necessity issued under this Act to common carriers by motor vehicle authorizing their operation thereunder.

(d) The term "permit" means a permit issued under this Act to contract carriers by motor vehicle.

(e) The term "State" means the Commonwealth of Kentucky.

(f) The term "interstate commerce" means commerce between any place in a state and any place in another state.

(g) The term "intrastate commerce" means commerce between any place in this State and any other place in this State.

(h) The term "highway" means all public roads, highways, streets and ways in this State, whether within a municipality or outside of a municipality.

(i) The term "motor vehicle" means any motor propelled vehicle used for the transportation of persons or property for hire on a public highway, including any such vehicle operated as a unit in combination with other vehicles, and including ve-

hicles propelled by electric power obtained from overhead wires whether operating over rails or otherwise.

(j) The term "common carrier by motor vehicle" means any person who holds himself out to the general public to engage in the transportation by motor vehicle of persons or property in intrastate or interstate commerce over regular routes, except as provided for in subsection (d) of Section 12 of this Act, and except that taxicabs as hereinafter defined are not required to move over regular routes.

(k) The term "contract carrier by motor vehicle" means any person who, under individual contracts or agreements, engages in the transportation, other than transportation referred to in subsection (j), by motor vehicle of passengers or property in interstate or intrastate commerce.

(l) The term "carrier" or "motor carrier" means any person who owns, controls, operates, manages or leases, except persons leasing to authorized carriers, any motor vehicle for the transportation of persons or property for hire upon any highway. It shall include the operation of common and contract carriers, city and suburban busses and driveaways.

(m) A "city bus certificate" means a certificate granting authority for the operation of motor vehicles carrying passengers for hire exclusively within the corporate limits of one city and over regular routes.

A "city bus" is a bus when being operated under one or more city bus certificates.

(n) A "suburban bus certificate" means a certificate granting authority for the operation of motor vehicles carrying passengers for hire operated exclusively within the confines of one or more cities and their suburban area, or a suburban area, over regular routes but not engaged in intracity transportation.

A "suburban bus" is a bus when being operated under one or more suburban bus certificates.

(o) "Suburban area" means territory wholly within the State of Kentucky which extends not more than two air miles beyond the corporate limits of any municipality and one mile additional for each fifty thousand population or major fraction thereof, and, where one or more municipalities are contiguous

or adjoining, the combined population of such contiguous or adjoining municipalities shall be considered in determining the suburban area of each such contiguous or adjoining municipality; provided, however, the Department may, from time to time, upon a showing, as hereinafter provided, authorize and permit the holder of a suburban bus certificate to extend its operations beyond the territorial limits of any such cities for a distance not to exceed ten (10) miles, if said Department finds:

(1) That the territory proposed to be served adjoins or is contiguous to said city; and

(2) That the territory proposed to be served has such density of population and that the physical, business, economic and social interest is such as to make it an integral part of the city to which it adjoins or is contiguous and that it would be in the public interest and to the benefit of persons residing in said territory that they be served by the holder of a city or suburban bus certificate.

(p) The term "U-Drive-It" means a motor vehicle let out for hire, leased or rented for the transportation of persons or property but for which no driver is furnished, and the use of which motor vehicle is not for the transportation of persons or property for hire by the lessee or rentee.

(q) The term "taxicab" means any common carrier motor vehicle designed or constructed to transport passengers not more than six in number exclusive of the driver, the principal operation of which is confined to the corporate limits of one city and its suburban area and not operating over any regular route, and the destination of which is designated by the passengers at the time of such transportation.

(r) The term "exempted commodities" means such commodities that are normally and usually not transported by common carriers by motor vehicle.

(s) The term "driver" or "chauffeur" means the person physically operating the motor vehicle.

(t) The term "industrial bus" means a motor vehicle designed for the transportation of persons for hire which is used exclusively for the transportation of employees of an industry to and from their place of employment and which is operated over

a route not exceeding thirty (30) miles in length and for which only commuter tickets are sold by the industry designated.

(u) The term "regular seat" means a seat ordinarily and customarily used by one passenger and in determining such seating capacity the manufacturer's rating may be considered.

(v) The term "driveaway" means the transporting and delivering of motor vehicles under their own power or by means of a full mount method, the saddle mount method, the tow bar method or any combination of them, over the highways of this State from any point of origin to any point of destination for hire.

(w) The term "city bus license" means a license plate issued to a bus authorizing its operation under one or more city bus certificates or a combination of city bus certificates and suburban bus certificates.

(x) The term "suburban bus license" means a license plate issued to a bus authorizing its operation under one or more suburban bus certificates.

8. *Exemption of motor vehicles used for certain purposes.* The provisions of this chapter shall not apply, except as to safety regulations, to—

(a) Motor vehicles used as school busses and while engaged in the transportation of students, under the supervision and control and at the direction of school authorities.

(b) Motor vehicles, regardless of ownership, used exclusively:

(1) For the transportation of agricultural and dairy products (including fruit, livestock, meats, fertilizer, wood, lumber, cotton, products of grove or orchard, poultry and eggs), while owned by the producer of the products (including landlord where the relation of landlord and tenant or landlord and cropper is involved), from the farm to a market, warehouse, dairy or mill, or from one market, warehouse, dairy or mill to another market, warehouse, dairy or mill; or

(2) For the transportation of agricultural and dairy products, livestock, farm machinery, feed, fertilizer, and other materials and supplies essential to

farm operation, from market or shipping terminal to farm; or

(3) For both of the purposes described in paragraphs (1) and (2) of this subsection; or

(4) For the transportation of agricultural and dairy products from farm to regularly organized fairs and exhibits and return.

(c) Motor vehicles used as church busses and while engaged in the transportation of persons to and from a church or place of worship or for other religious work under the supervision and control and at the direction of church authorities.

(d) Motor vehicles used exclusively in transporting materials, supplies and equipment for the construction, reconstruction or maintenance of any public highway, road or street in this State.

(e) Motor vehicles used for the exclusive transportation of members of the armed forces on educational or recreational trips under the supervision and control and under the exclusive direction of military authorities. Such vehicles, however, shall be insured as other vehicles under this Chapter. This exclusion shall be limited to the duration of any National Emergency.

The following motor vehicles shall be exempt, except as to safety regulations, from the provisions of this Chapter, provided that an application for such exemption is made and an exemption permit is issued by the Department. The application shall be made in the manner prescribed by the Department. The applicant shall be entitled to a hearing on the application if it is denied by the Department.

(f) Motor vehicles used for the transportation of property for hire operating exclusively within the limits of one or more cities and their suburban areas.

(g) Motor vehicles used exclusively for the transportation of property belonging to a non-profit co-operative association or its members where the vehicle is owned or leased exclusively by the association.

(h) Motor vehicles used exclusively as U-Drive-Its as heretofore defined, except that passenger vehicles shall pay a seat tax as provided in subsection (c) of Section 50, and except

that no person shall engage in the business of operating a U-Drive-It until such person has complied with the provisions of KRS 187.640 regarding insurance and has filed with the Department a certification from the Department of Revenue that the operator is properly covered by the required bond or insurance.

9. *Regulation of Interstate Commerce.*

(a) The provisions of this Chapter shall apply to interstate commerce, except insofar as such application is in conflict with any provision of the Constitution of the United States or the Acts of Congress.

(b) The Commissioner may grant a certificate of convenience and necessity for the transportation of persons or property for compensation in interstate commerce, and may regulate such interstate commerce under the authority of and in accordance with the provisions of any Act of Congress vesting in or delegating to the Commissioner such authority as an agency of the United States Government. The Commissioner may notify the proper department of the Federal Government of his assent to the requirements and conditions of such Act of Congress in regard to interstate commerce by motor vehicle.

10. *A motor carrier must obtain a certificate or permit.* No person shall act as a motor carrier without first having obtained a certificate or permit, as the case may be, from the Department.

11. *Application for a certificate or permit, or an amendment or transfer or sale or change in route or abandonment.*

(a) Every applicant for a certificate or permit or for amendment or transfer or sale or change in route or abandonment of a certificate or permit shall apply for same to the Department in such form and the application shall contain such matters as the Department may prescribe.

(b) For the filing of such application the Department shall receive a fee of twenty-five ($25.00) dollars.

12. *Hearing; notice to interested persons.*

(a) Upon the filing of an application for a certificate or permit or for amendment or sale or transfer or change in route or abandonment of a certificate or permit, the Department shall,

within a reasonable time, fix the time and place for a hearing. At least thirty (30) days before the hearing, the Department shall mail written notice of the hearing, and of the right to file a protest, in accordance with the requirements of the Department, to the applicant and every authorized carrier, including railroads, serving any part of the route to be served by the applicant, and to the county attorney and the county judge of each county in which the applicant proposes to render service, and to any other person who, in the opinion of the Department, may be interested in or affected by the granting of the application.

(b) At the time fixed in the notice the Department shall hold a public hearing on the application. Any person having interest in the subject matter may, in accord with the rules prescribed therefor, file a protest to the granting, in whole or in part, of the application.

(c) The Department may, if the application is solely for rights previously granted by the Interstate Commerce Commission, dispense with the holding of a hearing.

(d) If such applicant has been granted an irregular common carrier certificate by the Interstate Commerce Commission, the Department may grant, under this section, an irregular common carrier certificate restricted to operation in interstate commerce, and on the granting of same it shall notify the Department of Revenue of the applicant's operation.

(e) The Department shall have the power to designate certain commodities as exempted commodities as defined herein, and may grant a permit, upon application, to transport such exempted commodities without the holding of a hearing.

13. *Basis for granting or refusing a certificate or permit, or an amendment or transfer or sale or change in route or abandonment of a certificate or permit.*

(a) A certificate shall be granted to any qualified applicant therefor authorizing the whole or any part of the operations covered by the application, if it is found that the applicant is fit, willing and able properly to perform the service proposed and to conform to the provisions of this Act and the requirements, rules and regulations of the Department thereunder, and fur-

ther, that the existing transportation service is inadequate, and that the proposed service to the extent to be authorized by the certificate is, or will be, required by the present and future public convenience and necessity, and that the proposed operation to the extent authorized by the certificate will be consistent with the public interest and the transportation policy declared in this Act; otherwise the application shall be denied.

No certificate shall be issued for the operation of an industrial bus, even if public convenience and necessity is shown, unless existing common carriers serving the route, or any part thereof, or the contiguous territory, shall refuse to furnish the service found to be necessary within thirty days after the hearing.

(b) (1) In granting a certificate the order, among other things, shall specify the routes or service and territory to be served but shall not limit the number of motor vehicles to be operated by the motor carrier, except that, in the granting of a certificate for the operation of taxicabs, the order shall specify the maximum number of taxicabs to be operated thereunder.

(2) A carrier shall be entitled to have issued to it by the Department as many certificates, and of such types, as will cover its entire authorized operation.

(c) A permit shall be granted to any qualified applicant therefor authorizing in whole or in part the operations covered by the application, if it appears from the application and the hearing held thereon that the applicant is fit, willing and able properly to perform the service of a contract carrier by motor vehicle and to conform to the provisions of this Act and the lawful requirements, rules and regulations of the Department thereunder, and that the proposed operation to the extent authorized by the permit will be consistent with the public interest and the transportation policy declared in this Act, and that it will not unreasonably impair the efficient public service of any authorized common carrier then adequately serving the same territory; otherwise such application shall be denied. The Department shall specify in the permit the business of the contract carrier covered thereby and the scope thereof, and shall attach to it at the time of issuance, and from time to time thereafter, such reasonable terms, conditions and limitations consistent with the character of the holder as a contract carrier as

are necessary to carry out with respect to the operations of such carrier the requirements established by the Commission.

(d) Amendment or change of route or abandonment of a certificate or permit shall be granted upon the same basis that an original certificate or permit is granted.

(e) Any certificate or permit may be sold, assigned, leased or transferred, after a hearing and notice to interested parties as heretofore provided for, provided the transferee is fit, willing and able to render the proposed service, unless it would be against the public interest.

(f) For the purpose of this section, a transfer of the controlling stock of a corporation owning a certificate or permit may be considered a transfer of said certificate or permit.

14. Notwithstanding anything contained in this Act:

(a) All cities of the Commonwealth are vested with the power to sell franchises or, where no franchise is sold, grant authorizations for the operation of city busses over its streets and highways; provided, however, no person shall apply for or obtain any such franchise from any city without a prior finding by the Department, after a hearing, that there is a demand and necessity for the service sought to be rendered, which finding shall be valid and effective for a period of one year from and after the date thereof, exclusive of any delay due to the order of any court.

Upon certification by the Department to such city that there is a demand and necessity for the service sought to be rendered, any city may award any duly qualified person a franchise or authorization covering the proposed operation.

Upon acquiring such a franchise or authorization, the holder thereof shall apply to the Department of Motor

Transportation for a city bus certificate which shall be issued to the holder of the franchise or authorization without a hearing.

Unless a certificate is exercised within one year from the grant thereof, exclusive of any delay due to the order of any court, the authority conferred by the issuance of the certificate of convenience and necessity shall be void.

(b) The applicant for a certificate or renewal of a certificate to operate a city bus shall at the time of application file with the Department a map or maps showing the route or routes and territory proposed to be served, together with a time schedule, and shall thereafter, during the license year, file only such additional maps or time schedules as the Commissioner may require.

(c) The governing body of any city of the first four classes in the Commonwealth in which city busses operate shall have supervisory and regulatory power over such city busses, while operating in such city, and shall have authority to enforce all ordinances or regulations pertaining to routes, services, time schedules and operation of said city busses and the drivers thereof, provided that any interested party may appeal to the Department from any action, finding or order of any such city within thirty (30) days after the entry of such action, finding or order, and a hearing shall be held before the Department in the same manner as other hearings are held as provided for in this Act; provided, however, that any such action, finding or order of any such city shall be sustained if there is substantial evidence or reason to support it; otherwise the Department shall make such orders as it deems necessary and proper. However, where a carrier's entire operation is confined to intracity transportation within the corporate limits of a single city, there shall be no appeal to the Department from the actions, findings or orders of such a city.

Provided further, that where any city bus is subject to the regulatory powers of more than one city and such regulations are in conflict or such as to impede the transportation facilities serving such cities, or the carrier is failing to furnish safe, adequate and convenient service to the public, the Department may, upon complaint or on its own initiative, call a hearing and enter such orders as are necessary and proper.

(d) The governing body of any city of the first five classes in the Commonwealth in which taxicabs operate shall have supervisory and regulatory power over taxicabs certificated to operate in said city, and while operating in said city, and shall have authority to enforce all ordinances or regulations pertaining to the number and operation of taxicabs, provided that any interested party may appeal to the Department from any action, finding or order of any city within thirty (30) days after the entry of such action, finding or order, and a hearing shall be held before the Department in the same manner as other hearings are held as provided for in this Act; provided, however, that any such action, finding or order of any such city shall be sustained if there is substantial evidence or reason to support it; otherwise the Department shall make such orders as it deems necessary and proper. However, where a carrier's entire operation is confined to intracity transportation within the corporate limits of a single city, there shall be no appeal to the Department from the actions, findings or orders of such a city.

(e) The governing body of any city of the first five classes in the Commonwealth is hereby vested with the exclusive power to prescribe the qualifications with respect to the health, vision, sobriety, intelligence, ability, moral character and experience of the drivers of taxicabs certificated to operate in said city, and while operating in said city, and may issue permits for qualified drivers. However, any taxicab driver must also possess a Kentucky operator's license.

(f) Until such time as any city of the Commonwealth enacts such ordinances or prescribes such rules and regulations as may be reasonably necessary to exercise the prior powers herein delegated to such cities respecting the supervision and regulation of city busses, taxicabs and taxicab drivers, the Department

shall possess such powers and may, by regulation, prescribe such rules as may be reasonably necessary to supervise and control city busses, taxicabs and taxicab drivers, having regard for the public safety and the public need for service.

(g) If any city fails to exercise any of the authority granted it herein, such authority shall be vested in the Department.

(h) The power to regulate rates fixed by agreement with a city. The Department may, under the provisions of this Act, originate, establish, change, promulgate and enforce any rate that has or may be fixed by any contract, franchise or agreement between the holder of any city bus certificate and any city, and all rights and obligations arising out of such contract regulating any such rate shall be subject to the jurisdiction and supervision of the Department, but no such rate shall be changed nor any contract, franchise or agreement affecting it be abrogated or changed until a hearing has been had.

15. *Conduct of hearings.* Hearings before the Department shall be held at the most convenient place for the parties and witnesses. The hearings shall be conducted by an Examiner appointed by the Commissioner who shall be a practicing attorney in this State and who shall be a full-time employee of the Department. After the final conclusion of the hearing the Examiner shall make a report and recommended order, which report and recommended order shall contain a finding of fact and a conclusion of law, and such report and recommended order shall be served by registered mail upon each of the parties. Any of the parties thereto may, within twenty (20) days after the day of the service of the report and recommended order, file and serve exceptions thereto and reasons in support thereof. Replies may be served and filed within twenty (20) days after the service of the exceptions. Thereafter the Commissioner or one of the assistant commissioners shall consider and pass upon the case. When passed upon by the Commissioner or when passed upon by an assistant commissioner and approved by the Commissioner, the decision shall be served by registered mail upon all parties and shall be a final order of the Department. The report and recommended order will not become the decision of the Department through failure to file exceptions, but in the

absence of exceptions ordinarily will be taken by the Department as the basis of its decision. However, nothing herein contained shall prevent the Commissioner from holding or conducting any hearing, referred to herein, in regard to rates, fares and charges, and his decision shall be the final order of the Department.

16. *New applications when certificate or permit or an amendment or sale or transfer of a certificate or permit has been denied.* When any application for a certificate or permit, or for an amendment thereto or sale or transfer thereof, has been heard and denied, the Department shall not entertain another application covering the same or similar routes or service until the expiration of six months from the date of the denial, unless the denial was based upon the applicant failing to show that he was fit, willing and able.

17. *Renewal of certificate or permit or exemption permit.*

(a) Every certificate or permit or exemption permit shall be renewed before January 1st of each year. Application for renewal shall be in such form as the Department may require.

(b) No motor vehicle shall be operated after January 1st of each year unless the requisite fee as hereinafter provided for is paid.

(c) A certificate or permit or exemption permit not renewed within one calendar year after renewal date shall automatically become null and void and cannot be reinstated. Nothing herein contained shall prohibit the filing of a new application.

(d) The Department shall not renew any certificate or permit or exemption permit if such certificate or permit or exemption permit has been revoked, or if suspended, during the period of suspension. A certificate or permit shall not be considered as revoked or suspended when an appeal is pending in the Franklin Circuit Court or in the Court of Appeals from an order of revocation or suspension until said appeal has been decided by the Courts.

(e) For the renewal of any certificate or permit or exemption permit the Department shall receive a fee of twenty-five ($25.00) dollars.

18. *Insurance.*

(a) Before a certificate or any permit will be issued or renewed the applicant must file, or have on file, with the Department of Motor Transportation an approved indemnifying bond or insurance policy, issued by some surety company or other insurance carrier authorized to transact business within the State of Kentucky, which bond or policy shall be issued for such a period of time that its expiration date will be January 1 of the following year, and shall have attached thereto the State insurance endorsement. The bond or insurance must be issued in the name of the applicant, except in case of leased equipment, which may, with the approval of the Department, be covered by the insurance of the lessee. In lieu of bond or policy, there may be filed with the Department an approved Certificate of Insurance; provided, however, that the expiration date of January 1 above referred to shall not apply to policies the term of which is continuous and which are to remain in full force until cancelled under proper notice.

All bonds or policies shall specifically state what equipment is covered by the policy. In the event certificate is filed it shall have endorsed thereon a specific description of all equipment covered by the policy. It is further required that any and all changes in the equipment covered by the policy or bond shall be certified to the Department at once. The Commissioner may authorize the acceptance of a policy that is an overall coverage blanket policy, which does not specifically describe the equipment covered thereby.

The types and amounts of insurance to be carried on each vehicle are as follows:

MOTOR VEHICLES FOR TRANSPORTATION OF PERSONS

Capacity	Death or Injury to any One Person	Total Liability for Death or Injury to Persons	Property Damage
7 persons or less	$5,000.00	$10,000.00	$1,000.00
8 to 16 inclusive	5,000.00	15,000.00	1,000.00
17 to 25 inclusive	5,000.00	20,000.00	1,000.00
26 or more	5,000.00	25,000.00	1,000.00

MOTOR VEHICLES FOR TRANSPORTATION OF PROPERTY

Gross Weight	Death of or Injury to any One Person	Total Liability for Death of or Injury to Persons	Property Damage
5,000 lbs. or less	$5,000.00	$10,000.00	$1,000.00
More than 5,000 lbs.	5,000.00	15,000.00	1,000.00

All common carriers, except common carriers of passengers, are required to file with the Department an approved cargo insurance policy or bond, or certificate of such insurance or bond. Said policy or bond shall have attached thereto the State endorsement for cargo policy, and shall be issued by some surety company or other insurance carrier authorized to do business in the State of Kentucky.

(b) No insurance company or insurance carrier issuing any policy filed with the Commissioner, and no surety or other obligor on any bond or contract filed with the Commissioner, shall be relieved from liability under the policy, bond or contract until after the expiration of fifteen (15) days' notice to the Commissioner of an intention to cancel the policy, bond or contract. The acceptance of such notice and the cancellation of the policy, bond or contract by the Commissioner shall not relieve the insurance company, insurance carrier, surety or obligor of any liability that accrued prior to the effective date of the cancellation.

(c) The Commissioner may exempt in whole or in part from the requirements of this Section any person who applies for such exemption and shows to the satisfaction of the Commissioner that, by reason of the financial ability of the person applying, there is due assurance of the payment of all damages for which he may become liable as a result of the operation of any vehicles owned by him.

19. *Taxicab permits to be renewed as certificates.* Any holder of a valid permit to operate a taxicab issued prior to the effective date of this Act shall be entitled, upon renewal, to a certificate to operate a taxicab under the same terms and condi-

tions that the permit was issued, and for the same number of taxicabs licensed under said permit.

20. *Grandfathering of city bus operations, and of certificates and permits.*

(a) Any bona fide motor carrier or its successor operating city busses as of December 31, 1949, under a valid certificate, franchise, statute, authorization, or in bona fide operation on said date, shall be entitled to such certificate or certificates and of such type or types as are defined in this Act that cover their operations as of December 31, 1949.

(b) Any holder of any other type of valid certificate or permit issued prior to the effective date of this Act shall be entitled, upon renewal, to such certificates or permits, as the case may be, that will grant the holder thereof the same authority that the certificates or permits held at the effective date of this Act granted.

(c) All certificates or permits grandfathered shall be subject to the same limitations and restrictions as were imposed on such certificate or permit.

21. *Revocation, suspension or alteration of certificate or permit.* Whenever any motor carrier is found to be violating any of the provisions of this Chapter, or any order or rule or regulation prescribed by the Department pursuant thereto, or any of the laws of this State relating to such carrier's operation upon the highways, the Department may, upon complaint or upon its own motion, issue its order to such motor carrier notifying it to appear before the Department at a fixed time and place, at which time and place the Department shall have a hearing. If the Department is satisfied, after a hearing, that the motor carrier has violated or refused to observe any of the provisions of this Chapter, or any order, rule or regulation of the Department, or any of the laws of this State relating to such carrier's operation upon the highways, the Department may suspend, revoke, alter or amend any certificate or permit issued to such carrier.

22. *Rates, fares and charges to be reasonable; service to be adequate.*

(a) Every rate, fare and charge demanded or received by any common carrier shall be just and reasonable, and every such

carrier shall furnish adequate, efficient, safe and reasonable service.

(b) Every contract made by a contract carrier for transportation service shall be just and reasonable, and shall be comparable to the rate charged by any common carrier, and such contract carrier shall furnish adequate, efficient, safe and reasonable service.

23. *Filing and public inspection of rate and service schedules.*

(a) Under rules and regulations prescribed by the Department, every common carrier shall maintain on file with the Department a schedule of rates, fares, charges and classifications, and a time schedule, if any, of all motor vehicles operated under a certificate, and shall keep open for public inspection at designated offices so much of such schedules as the Department deems necessary for public information.

(b) Under rules and regulations prescribed by the Department, every contract carrier shall maintain on file with the Department all contracts made for transportation, and shall keep open for public inspection at designated offices such contracts as the Department deems necessary for public information.

(c) No rate or contract need be filed for the transportation of any commodity that has been exempted by the Department, except that the Department may require the filing of a rate or contract.

(d) The Department shall have full power concerning the control of rates and contracts under its rules and regulations.

24. *Adherence to rates, fares and charges and schedules; discrimination.*

(a) No common carrier shall charge, demand, collect or receive a greater, less or different compensation for the transportation of persons or property or for any service in connection therewith, than the rates, fares and charges specified in its tariffs and classifications filed with the Department and in effect at the time; nor shall any common carrier refund or remit any part of the rates, fares or charges so specified, or make or give any unreasonable preference or advantage to any person, or subject any person to any unreasonable discrimination.

(b) No contract carrier shall charge, demand, collect or receive a greater, less or different compensation for the transportation of persons or property or for any service in connection therewith than that contained in the contract required to be filed with the Department and in effect at the time; nor shall any contract carrier refund or remit any part of the charges specified in the contract, or make or give any unreasonable preference or advantage to any person, or subject any person to any unreasonable discrimination.

25. *Change in rates; how made.*

(a) No common carrier shall make any change in any rate that has been duly established under this Chapter, except after thirty (30) days' notice to the Department, stating plainly the changes proposed to be made and the time when the changed rate will go into effect. The carrier shall also give such notice of the proposed change to other interested persons and in such manner as the Department directs. All proposed changes shall be shown by filing new schedules.

(b) Whenever any schedule stating a new rate is filed with it, the Department may, upon its own initiative, and shall upon complaint and upon reasonable notice, enter upon a hearing concerning the lawfulness of the rate. Pending the hearing and decision thereon, the Department may suspend the operation of the new rate for a period of not more than six months. If after the hearing the Department finds any such rate to be unjust, unreasonable or unjustly discriminatory, or in violation of law, the Department shall determine the just and reasonable rate to be charged and shall fix the same by order.

(c) No contract carrier shall make any change in its contract filed with the Department except upon the approval of the Department.

26. *Powers of Department of Motor Transportation to regulate rates and service.*

(a) The Department has authority to fix or approve the rates, fares, charges, classifications, rules and regulations of each common carrier, and to regulate operating schedules so as to insure adequate and convenient transportation service. If the Department, after a hearing held upon reasonable notice upon its

own motion or upon complaint, finds any existing rate to be excessive, inadequate, unreasonable or unjustly discriminatory, or finds the services rendered or facilities employed by any common carrier to be unsafe, inadequate, inconvenient or in violation of law or of the rules and regulations of the Department, it may determine the just and reasonable rate to be charged therefor, or the reasonable, safe, adequate and convenient service to be thereafter furnished, and shall fix the same by order. The Department need not fix the same rates as are or may be fixed by other authorities for carriers engaged in other methods of transportation.

(b) The Department has authority to fix or approve the contracts and regulations of each contract carrier so as to insure adequate and convenient transportation service. If the Department, after a hearing held upon reasonable notice upon its own motion or upon complaint, finds any existing contract to be excessive, unreasonable or unjustly discriminatory, or finds the services rendered or facilities employed by any contract carrier to be unsafe, inadequate, inconvenient or in violation of law or of the rules and regulations of the Department, it may determine the just and reasonable amounts to be charged therefor, or the reasonable, safe, adequate and convenient service to be thereafter furnished, and shall fix the same by order.

27. *Abandonment, or change of route, service or schedules.*

(a) No common carrier shall abandon or change any route or service, except upon an application heretofore provided for; except, however, if it becomes necessary, on account of the condition of the highways or other emergency, a common carrier may make temporary changes in route, service or schedules by notifying the Department of such change. However, any carrier operating under a suburban bus certificate may make such changes in routes and schedules as may be necessary for the public convenience and shall not be required to notify the Department of such changes, unless such changed condition is to continue for a period longer than ten days, in which event the carrier shall notify the Department of the additional time that it desires such change or changes to remain in effect, and the reason therefor, and the Department may grant such extension of time without a hearing.

(b) If after the granting of a certificate or permit operation is not begun within sixty (60) days thereof, said certificate or permit will become null and void, and cannot be reinstated; provided, however, that the Department may grant an additional time to begin such operation, provided application therefor is made within the sixty-day period.

(c) If, after a motor carrier has operated in good faith, there is an abandonment of the whole or any part of said operation, the Department may notify said motor carrier to immediately begin such operation, and if such motor carrier fails to do so within thirty (30) days thereof, the Department may enter an order cancelling said certificate or permit, with or without a hearing, or it may enter an order requiring the motor carrier to operate such abandoned route.

28. *Accounts; reports.* The Department may prescribe uniform systems of accounts and the filing of reports by motor carriers.

29. *Non-resident carrier to have agent for service of process.* Any motor carrier who is a non-resident of this State shall, prior to operating any motor vehicle for hire in this State, appoint a person residing in this State as agent upon whom process may be served, and shall maintain such agent so long as the carrier operates a motor vehicle for hire in this State. The appointment shall be made by filing in the office of the Department a statement giving the name and residence of the agent. If the motor carrier is an individual, the statement shall be subscribed by him; if the motor carrier is a partnership, corporation or an unincorporated association or company, the statement shall be subscribed by a partner or by an officer. When any change is made in the agent, the motor carrier shall immediately file with the Department a statement of the change, and the former agent shall remain agent for the purpose of service until the statement of appointment of the new agent is filed.

30. *Common carriers of passengers to furnish free transportation to Department employees.* All common carriers of passengers shall furnish to the employees of the Department of Motor Transportation free transportation over their lines at all times.

31. *Distinguishing plates for vehicles.* The Department shall prescribe and furnish a distinguishing plate or plates, which shall at all times be displayed on each motor vehicle authorized to be operated under a certificate or permit. Where a carrier is the holder of one or more city bus certificates, or the carrier holds both a city bus certificate or certificates and a suburban bus certificate or certificates, the Department shall issue to it for each vehicle operated thereunder a city bus license plate which shall authorize the operation of said vehicle under either one or all of the certificates so held. No person shall transfer such plates from one motor vehicle to another except by the authority and with the consent of the Department.

32. *Certification of drivers and chauffeurs.*

(a) No owner or operator of a motor vehicle used for hire shall permit such motor vehicle to be operated upon the highways unless the driver or chauffeur thereof has obtained, and from time to time has renewed, in accordance with the requirements of the Department, a certificate of the Department to the effect that the driver or chauffeur has met its requirements with respect to his health, vision, sobriety, intelligence, care, ability and experience, and be the holder of a Kentucky operator's license.

(1) No owner or operator of a motor vehicle used for hire shall permit such motor vehicle to be operated upon the highways unless the driver or chauffeur thereof is eighteen (18) years of age where the vehicle is transporting property or less than twenty-one (21) years of age where the vehicle is transporting passengers.

(b) The Circuit Clerk of each county shall:

(1) Act for the Department for the purpose of issuing certificates and badges referred to in subsections (a) and (c) of this section.

(2) Issue a certificate, when he has determined that the applicant has fully complied with the law governing applications.

(3) Report and remit to the Department not later than the tenth day of the month following that in which the certificates were issued.

(4) Keep adequate records of all monies collected and remitted to the Department.

(5) Keep in his office at all times available to the Department a record of all certificates issued in his county.

(c) The certificate shall cost two dollars, of which twenty-five cents shall be retained by the Circuit Court Clerk to defray expenses of issuing the certificate and maintenance of records, and the remaining one dollar and seventy-five cents shall be paid into the State Treasury and credited to the State Road Fund. The holder of such a certificate, at all times when operating a motor vehicle for hire, shall have the certificate in his possession, and shall wear a badge, to be issued by the Circuit Clerk, indicating that he is a certified driver or chauffeur.

(d) The Department may, for good cause, upon complaint or upon its own motion, revoke or suspend any such certificate, and said person shall be entitled to a hearing before the Department.

33. *Working hours of drivers and chauffeurs.*

(a) No motor carrier shall require or permit any driver or chauffeur operating a motor vehicle for hire under a certificate or permit to remain continuously on duty for a longer period than twelve hours, and when any such driver or chauffeur has been continuously on duty for twelve hours he shall have at least eight consecutive hours off duty. No motor carrier shall require or permit any such driver or chauffeur to remain on duty for a longer period than sixteen hours in the aggregate in any twenty-four hour period, and when a driver or chauffeur has been on duty sixteen hours in the aggregate in any twenty-four hour period he shall have at least ten consecutive hours off duty. The period of release from duty required by this section shall be given at such places and under such circumstances that rest and relaxation from the strain of the duties of the employment may be obtained. No period off duty shall be deemed to break the continuity of service unless it is for at least three consecutive hours and is given at such a place and under such circumstances that rest and relaxation from the strain of the duties of the employment may be obtained. In case of an unforeseen emergency not resulting from the negligence of the carrier or his agents, servants or employees, the driver or chauffeur may complete his run or tour of duty, if the run or tour of duty but for the delay caused by the emergency could reasonably have been completed with-

out a violation of this section. The Department may require such reports as it deems necessary for the enforcement hereof.

(b) The provisions of this section shall not apply to matters relating to the wages, hours, working conditions, and conditions of employment of the employees of motor carriers when such employees shall be so employed and working under and pursuant to a collective bargaining agreement entered into between their employer and the employees' collective bargaining agent or representative, for and on behalf of such employees; provided that said collective bargaining agent or representative is a bona fide labor organization.

34. *Overcrowding of passenger vehicles; maximum width.*

(a) The Department shall, in its safety regulations, prescribe rules prohibiting overcrowding in the various types of motor vehicles carrying passengers for hire.

(b) The owner or driver or chauffeur of any motor vehicle for the transportation of passengers shall not permit any passengers to ride upon the steps or running-board of any such motor vehicle, nor shall he permit any passenger to ride on the top of any such motor vehicle unless the top has been designed and equipped with seats constructed for such use and provided with protecting railing or protective enclosure on all four sides of the top of the vehicle, and unless such use has been authorized by a certificate issued by the Department.

(c) No motor carrier shall operate a motor vehicle for the transportation of persons for hire, except city and suburban busses, with an extreme width exceeding ninety-six inches. The extreme width of a city or suburban bus shall not exceed one hundred and two inches.

35. *Accident reports.* All motor carriers shall give to the Department notice in writing of any accident resulting in death or serious injury within five days after said accident.

36. *Passenger vehicles required to stop at railroad crossings.* The driver or chauffeur of any motor vehicle used in the transportation of passengers for hire shall stop such motor vehicle before crossing at grade the main track of any railroad or interurban electric railway, except where the crossing is a guarded

crossing protected by gates or a flag controlled or operated by an employee of the railroad or interurban company. The stop shall be made at not less than ten feet nor more than thirty feet from the nearest track to be crossed. After making the stop, the chauffeur shall look carefully in each direction for approaching cars or trains, and shall not start his vehicle until he has ascertained that no cars or trains are approaching in each direction.

37. *Identification of motor vehicles.* In order that motor vehicles may be properly identified and for the purpose of preventing tax evasion, the Department may, by regulations, require such vehicles to display or have painted upon the same such signs, numbers or other identification as may be reasonably necessary.

38. *Inspection of motor vehicles.* The Commissioner and representatives of the Department may at any time or place make an inspection of any motor vehicle operating under the provisions of this Chapter. They may enter into and upon any such motor vehicle for the purpose of ascertaining whether or not any provision of this Chapter or any order or rule or regulation of the Department relating to such motor vehicles has been violated. Willful refusal to stop any such motor vehicle, when ordered to do so by any representative of the Department, or to permit the representative to enter into or upon the motor vehicle for the purpose of inspection, shall be sufficient ground for the revocation or suspension of the certificate or permit of the motor carrier.

39. *Carriers shall comply with the city traffic rules and regulations.* Every carrier operating under a certificate or permit issued by the Department of Motor Transportation shall observe traffic rules and regulations of each city while operating therein.

40. *Enforcement of motor vehicle laws; arrests; bail bonds.* Any peace officer, including sheriffs and their deputies, constables and their deputies, police officers and marshals of cities or incorporated towns, county police or patrols, and special officers appointed by any agency of the Commonwealth of Kentucky for the enforcement of its laws relating to motor vehicles, now existing or hereafter enacted, shall be authorized and it is hereby made the duty of each of them to enforce the provisions of this Chapter and to make arrests for any violation or violations

thereof, and for violations of any other law relating to motor vehicles, without warrant if the offense be committed in his presence, and with warrant or summons if he does not observe the commission of the offense. When in pursuit of any offender for any offense committed within his jurisdiction, any such officer may follow and effect an arrest beyond the limits of his jurisdiction. If the arrest be made without warrant, the accused may elect to be immediately taken before the nearest court having jurisdiction, whereupon it shall be the duty of the officer to so take him. If the accused elects not to be so taken, then it shall be the duty of the officer to require of the accused a bail-bond in a sum not less than five hundred dollars, conditioned that the accused binds himself to appear in the court of jurisdiction at the time fixed in the bond, not however in any case later than six days from the day of arrest. In case the arrested person fails to appear on the day fixed, the bond shall be forfeited in the manner as is provided for the forfeiture of bonds in other cases. No officer shall be permitted to take a cash bond. The officer making the arrest and taking the bond shall report the same to the court having jurisdiction within eighteen hours after taking such bond.

41. *Commissioning employees of Department of Motor Transportation and Department of Revenue as law enforcement officers; powers.* In addition to all other enforcement agencies, the Department of Motor Transportation and the Department of Revenue are hereby authorized to issue commissions to their employees as law enforcement officers, and such employees when so commissioned shall have all the powers of peace officers in respect to the enforcement of this Chapter and all the statutes relating to motor vehicles.

42. *Investigations and inquiries.* The Department may conduct any investigation, inquiry or hearing that it may deem proper in connection with the performance of its duties under this Chapter with respect to motor carriers. The investigation and inquiry may be conducted by or before the Commissioner or any of his assistants or any representative of the Department designated by the Commissioner.

43. *Right of appeal; how taken.*

(a) An appeal to the Franklin Circuit Court may be taken

from any final order of the Department by any one who was a party to the proceedings before it.

(b) In the case of an appeal wherein a certificate or permit has been issued or amended or revoked or suspended, the certificate or permit or its amendment shall remain in force until the final disposition of the appeal, not to exceed a period of eighteen months from the date of the order of the Department appealed from.

(c) An appeal may be taken by filing a Petition of Appeal with the Clerk of the Franklin Circuit Court within twenty (20) days after the rendition of the final order of the Department. The Petition shall state completely the grounds upon which the review is sought and shall assign all errors relied upon. The appellant shall furnish a copy of the petition to each person who was a party to the hearing before the Department. Summons shall be issued upon the petition directing the adverse party or parties to file answer within fifteen (15) days after service of summons. The Department shall, upon being served with a summons, and within thirty (30) days thereafter, file a copy of the record, duly certified by the Commissioner, the cost of such record to be taxed as costs upon appeal. In lieu of filing such record, an abstract thereof may be filed if agreed to by all parties to the hearing.

44. *Procedure on appeal; powers of circuit court, judgment; appeal to Court of Appeals.*

(a) The Department and each party may appear in the proceedings in the circuit court on an appeal.

(b) In case of appeals, no new or additional evidence may be introduced in the circuit court except as to fraud or misconduct of some person engaged in the administration of this Chapter and affecting the order; the court shall hear the case upon the certified record or abstract thereof, and shall dispose of the case in a summary manner, its review being limited to determining whether or not the Department acted without or in excess of its power, the order was procured by fraud, the order is in conformity to the provisions of this Chapter, and the finding of facts in issue is supported by any substantial evidence. On such appeals, the court may, in advance of judgment and upon a sufficient showing of facts, remand the case to the Department.

(c) The court shall enter judgment confirming, modifying or setting aside the order or, in its discretion, remanding the case to the Department for proceedings in conformity with the directions of the court.

(d) Any party may, within ninety days of a final judgment, appeal from the circuit court to the Court of Appeals, and such appeal shall have precedence of other cases pending in the Court of Appeals.

45. *Injunctions.* At the instance of the Department of Motor Transportation or of any person having an interest in the subject matter, the courts of this State may enjoin any person from violating any of the provisions of this Chapter relating to common carriers or contract carriers, or any order, rule, regulation or requirement of the Department relating to such carriers.

46. *Venue.* The Franklin Circuit Court shall hold concurrent venue with the courts of this Commonwealth of all civil and injunctive actions instituted by the Department for the enforcement of this Act and the orders, rules and regulations of the Department thereunder.

47. *Public attorneys to represent Department of Motor Transportation.* Upon the request of the Department of Motor Transportation, the Attorney General or any Commonwealth's Attorney or County Attorney shall represent the Department within his jurisdiction and without additional compensation, in any action or proceeding in which the Department is a party, arising under the provisions of this Chapter relating to motor carriers.

48. *Operation of taxicab in competition with common carrier.* No person shall operate a taxicab in competition with a common carrier outside of the corporate limits of any city, except another taxicab, over the route or any part of the route covered by the certificate of the common carrier, except for casual trips, and on such casual trips the operator of the taxicab shall not pick up any passenger along the route and shall not on the return trip carry any passenger other than those carried on the original trip.

49. *Weight tax on motor vehicles primarily engaged in the transportation of property for hire.*

(a) On or before January 1st of each year and as a condition precedent to the use of the highways, every motor carrier operating motor vehicles primarily engaged in the transportation of property for hire shall pay to the Department of Motor Transportation for the privilege of using the highways an annual excise tax upon each motor vehicle so used based on the declared gross weight of the motor vehicle as set out in K. R. S. 186.030 in addition to the basic registration fee set out in K. R. S. 186.050, as follows:

Gross Weight	*Fee*
0- 5000	$ 22.00
5001- 8000	30.00
8001-10000	48.00
10001-12000	52.00
12001-14000	57.00
14001-16000	62.00
16001-18000	70.00
18001-21000	101.00
21001-24000	132.00
24001-27000	161.00
27001-30000	185.00
30001-33000	208.00
33001-36000	235.00
36001-39000	272.00
39001-42000	300.00

(b) The tax shall be increased fifty per cent on each motor vehicle not equipped wholly with pneumatic tires.

(c) On or before January 1st of each year and as a condition precedent to the use of the highways, every motor carrier engaged in the driveaway business shall pay an annual license fee of two hundred fifty dollars which shall be in lieu of the weight tax set out in subsection (a) hereof.

50. *Mileage and seat tax on motor vehicles primarily engaged in transporting passengers for hire.*

(a) On or before January 1st of each year and as a condition precedent to the use of the highways, every motor carrier primarily engaged in transporting passengers for hire shall pay to the Department of Motor Transportation for the privilege of

using the highways an annual tax upon each motor vehicle so used as follows:

Except as provided in subsection (b) of this section, a mileage tax equal to one-thirty-sixth of a cent for each regular seat in the motor vehicle multiplied by the total number of miles traveled, and in addition a seat tax equal to $8.00 for each regular seat for the first sixteen seats, $15.00 for each regular seat for the next eight seats, and $25.00 for each regular seat for all remaining seats.

(b) The mileage and seat tax imposed by subsection (a) of this section does not apply to taxicabs, or city, industrial and suburban busses, or U-Drive-Its, except as hereinafter set out.

(c) Taxicabs, city, suburban and industrial busses and U-Drive-Its shall pay a license fee based upon seating capacity as follows:

Each taxicab	$3.00 per seat
Each city bus	1.50 per seat
Each industrial bus	2.50 per seat
Each suburban bus	1.50 per seat
Each U-Drive-It passenger car	2.50 per seat

(d) All cities of the Commonwealth are hereby authorized to impose an annual license tax on all taxicabs certificated by the Department for operation in said city, which license tax shall not exceed thirty dollars per taxicab.

(e) All cities of the Commonwealth are hereby authorized to impose a mileage tax upon city busses when operating in said city under the authority of a city bus certificate, provided that said mileage tax shall not be in excess of one-fourth of a cent per mile operated in said city and, in computing said mileage tax, miles operated upon roads or streets maintained by the Commonwealth or by any other governmental agency, except the city, shall not be counted.

51. *Accounts and records for tax purposes.* The Department may require any motor carrier to keep within this State, subject to inspection at all reasonable times by the Department, such books of account or records as are reasonably necessary to enable the Department to obtain full information at all times regarding

the amounts due from such operator under this Chapter. The books and records shall be at all times open to inspection by the Department.

52. *Time of paying mileage and seat taxes; refunds.*

(a) The mileage tax imposed by Section 50 shall be paid monthly. To insure the payment of the mileage tax, no certificate or permit or renewal thereof authorizing the transportation of passengers for hire shall be issued until there has been filed with the Department a bond in an amount estimated by the Department to be due in one month, or, in lieu thereof, cash of an equivalent amount.

(b) If any person required to pay a weight tax or seat tax under Section 49 and Section 50 begins the operation of any motor vehicle covered by these sections after January 1st in any year, he shall only be required to pay the proportionate part of the tax for the remainder of the year.

(c) When any motor vehicle that has been licensed by the Department is destroyed by fire, sold or transferred to any person, and is not to be used any further on the highways of this State by the person to whom it was licensed, such person may surrender the tag or certificate of such motor vehicle issued by the Department, and upon satisfactory proof to the Department that the motor vehicle will not be further used on the highways of this State by such person, the Department shall give credit to such person for the amount of the unearned portion of the tax paid, upon another motor vehicle belonging to such person which is to be put into service in that year. No cash refund shall be made in any event, and no credit shall be given in excess of the fractional year's tax on the new motor vehicle for that year.

53. *Fees and taxes under this Chapter are in addition to others; exceptions.*

(a) Except as otherwise provided in K.R.S. 138.470, 186.020 and 186.050 and in subsection (b) of this section, the fees and taxes prescribed by this Chapter shall be in addition to the fees and taxes prescribed by any other law of this State.

(b) No city may impose a license fee or tax upon any motor vehicle operated under a certificate or permit, except that a city

may impose a license fee or tax upon a taxicab or a mileage tax upon a city bus as set out in subsections (d) and (e) of Section 50 of this Act.

54. *Reciprocal tax exemptions for non-resident carriers operating in interstate commerce.* To carry out the declaration of policy provided for herein, the Department may enter into reciprocity agreements with other states and the District of Columbia whereby motor vehicles, as defined herein, while operating into or through the Commonwealth of Kentucky in interstate commerce and under a certificate or permit or exemption from the Interstate Commerce Commission and properly licensed in another state, shall be exempt from registration fees under K. R. S. Chapter 186 and the weight tax under this Act, provided like or similar privileges are granted motor vehicles as defined herein properly licensed in this State.

55. The Division of Motor Transportation and the office of the Director of the Division of Motor Transportation are hereby abolished, and all of their equipment, supplies, records and facilities of every kind are hereby transferred to the Department of Motor Transportation. All decisions and orders heretofore made and all pending proceedings before or instituted by the Division of Motor Transportation shall continue in the name of the Department of Motor Transportation. It is the purpose of this Act that the Department of Motor Transportation become the successor of the Division of Motor Transportation. Any reference to the Division of Motor Transportation or the Director of Motor Transportation henceforth shall be construed to be a reference to the Department of Motor Transportation and the Commissioner of Motor Transportation. Any allocation and appropriation of funds heretofore or hereafter made to the Division of Motor Transportation shall be transferred and allotted to and be construed to be appropriated to the Department of Motor Transportation.

56. *Penalties.*

(a) Any person who violates, or causes, aids or abets any violation of, any of the provisions of this Chapter or any order, rule or regulation lawfully issued pursuant to authority granted by this Chapter, or who knowingly makes any false or erroneous

statement, report or representation to the Department of Motor Transportation with respect to any matter placed under the jurisdiction of the Department by this Chapter, or who knowingly makes any false entry in the accounts or records required to be kept pursuant to the authority granted by this Chapter, or who knowingly fails to keep, or knowingly destroys or mutilates, any such accounts or records, shall be fined not less than fifteen dollars nor more than two hundred dollars, or imprisoned for not more than thirty days, or both. Every device to evade or to prevent the application of any provision of this Chapter, or any lawful order, rule or regulation of the Department issued pursuant thereto, shall constitute a violation thereof.

(b) In addition to the penalties prescribed in subsection (a) of this section, in case of violation by any person in whose name an industrial bus is licensed, such person shall forfeit all certificates and permits held by him, and shall not be eligible to hold any certificate or permit for a period of five years thereafter.

57. Sections 281.010 to 281.990, 186.090, 186.100 and 286.040 of the Kentucky Revised Statutes are repealed.

58. Section 186.055 of the Kentucky Revised Statutes is amended to read as follows:

Extra registration fees for trucks having gross weight in excess of 18,000 pounds.

(1) All motor vehicles registered under subsection (3) of KRS 186.050, except motor vehicles taxed under Section 49 of the Act of the 1950 General Assembly entitled "AN ACT relating to motor transportation and motor vehicles" wherein the gross weight exceeds 18,000 pounds, shall pay an additional fee as follows:

Gross weight	*Weight fee*
18001-21000	$ 67.00
21001-24000	84.00
24001-27000	97.00
27001-30000	113.00
30001-33000	130.00
33001-36000	148.00
36001-39000	170.00
39001-42000	200.00

(2) The clerk shall issue a weight plate furnished by the department and shall be paid for this service the sum of twenty-five cents.

(3) The clerk shall not register any common or contract carrier motor vehicle transporting property for hire until the owner has exhibited to the clerk a receipt from the Department of Motor Transportation showing that the weight tax has been paid as provided for under Section 49 of the Act of the 1950 General Assembly entitled "AN ACT relating to motor transportation and motor vehicles."

(4) Motor vehicles used only for the transportation of property operating exclusively within the limits of the city or within ten miles of the limits of the city if it is a city of the first, second, third or fourth class, or within five miles of its limits if it is a city of the fifth or sixth class, shall not be required to pay the additional fee as set out in this section. When claiming exemption of the payment of the additional fee, the owner shall file with the county clerk, in addition to other information required, an affidavit, stating that the motor vehicle is used only for the transportation of property exclusively within the city to be named in the affidavit and the area above set out, and that the vehicle will not be used outside of the city and the area above set out during the time for which the registration fee as provided for in KRS 186.050 only has been paid, and that there has been printed conspicuously on each side of the vehicle in letters of distinctive color at least three inches in height the name of the owner and city and the words "Urban Limits."

59. Section 138.470 of the Kentucky Revised Statutes is amended to read as follows:

Exemptions from tax. There is expressly exempted from the tax imposed by KRS 138.460:

(1) Motor vehicles sold to the United States, to this state, to any city or other political subdivision of this state, or to any charitable, religious or educational institution of this state.

(2) Used motor vehicles registered or licensed in this state during the same or immediately preceding license period.

(3) Motor vehicles owned by a person bona fide domiciled in another state and used and licensed in that state by the owner during the same or immediately preceding license period.

(4) Motor vehicles of a common carrier or contract carrier upon which vehicle the tax imposed by Sections 49 or 50 of the Act of 1950 General Assembly entitled "AN ACT relating to motor transportation and motor vehicles," and a franchise tax, is paid by the owner. The owner shall be required to exhibit the tax receipt for such taxes for the same or immediately preceding license period.

By Mr. Baumgardner.

H. B. No. 259. AN ACT amending and reenacting K.R.S. 100.096 relating to zoning and planning in cities of the first class and counties containing such cities.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

That K. R. S. 100.096 be and the same hereby is amended and reenacted to read as follows:

100.096. SEPARATE ACTION BY COUNTY OR CITY IN CASE OF WITHDRAWAL FROM JOINT AGREEMENT. If, at any time after such county and such city execute an agreement to create and establish such commission and such board, as provided for in K.R.S. 100.031, either such city, through or by action of its legislative body, or such county, through or by action of its fiscal court, withdraws from and cancels such agreement, then and in that event in order to carry out the purposes of K.R.S. 100.031 to 100.097:

(1) The fiscal court of such county is hereby authorized and empowered, by appropriate order or orders, (a) to create for the purposes set forth in K.R.S. 100.031 to 100.097 as they relate to the unincorporated area of such county, a county planning and zoning commission and a county board of adjustment and appeals, or a county department of planning and zoning and a county board of adjustment and appeals, or a county department of zoning, a county planning commission and a county board of adjustment and appeals, the functions, powers and duties of which shall be as nearly as possible comparable to and with functions, powers and duties of the commission board or

department herein provided for; and (b) to provide for the personnel and staff of such county commission, board or department, including an enforcement officer, and the appointment, organization and financing thereof, and for appropriate rules, regulations and procedure.

(2) The legislative body of such city is hereby authorized and empowered, by appropriate ordinance or ordinances, (a) to create, for the purposes set forth in K.R.S. 100.031 to 100.097 as they relate to such city, a city planning and zoning commission and a city board of adjustment and appeals, or a city department of planning and zoning and a city board of adjustment and appeals, or a city department of zoning, a city planning commission and a city board of adjustment and appeals, the functions, powers and duties of which shall be as nearly as possible comparable to and with the functions, powers and duties of the commission, board or department herein provided for; and (b) to provide for the personnel and staff of such city commission, board or department, including an enforcement officer, and the appointment, organization and financing thereof, and for appropriate rules, regulations and procedure.

(3) Such city of the first class and the county in which such city is located, in addition to the powers granted in subsections (1) and (2) above, are hereby authorized and empowered, alternatively, to enter into an agreement to regulate the physical development of the incorporated and unincorporated areas under their respective jurisdictions by the establishment of a joint city and county planning commission, with the powers, duties and functions deemed appropriate and necessary thereto, and to establish, respectively, a department of zoning and a board of zoning adjustment and appeals as above provided for.

By Mr. Hammons.

H. B. No. 260. AN ACT relating to the lease of natural gas.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. Any lease of natural gas rights executed after the effective date of this Act shall be void if it contains a provision for:

(a) The payment of less than a one-eighth royalty to the lessor; provided, such shall not be construed to prohibit a lessor of natural gas rights from selling his royalty interest for a lump sum.

(b) A term of longer than ten years or a renewal or supplemental term of longer than five years.

(c) The withholding or withdrawal from production of a producing well unless such provision likewise provides for the payment of an additional compensation of at least $250.00 per year for each year that such well is so withdrawn or withheld. No producing well brought in on the leased premises shall be withheld or withdrawn from production unless the lease expressly so authorizes.

Sec. 2. Any lessee of natural gas rights shall upon the commencement of production of a well file accurate meter readings of the quantity of gas produced in the office of the county clerk. The lessor and any oil and gas well inspector of the Department of Mines and Minerals shall have the right to enter on the leased premises and inspect and test the meter by which the production of any well is recorded.

Sec. 3. Any lessor failing to file the meter readings provided in section 2 of this Act shall be fined not less than one hundred nor more than one thousand dollars.

By Mr. Holsclaw.

H. B. No. 261. AN ACT relating to revenue and taxation and appropriating revenue to the Common School Per Capita Fund.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. When used in this article, the term "person" or the term "company" herein used interchangeably, includes

any individual, firm, copartnership, joint adventure, association, corporation, trust or any other group or combination acting as a unit, and the plural as well as the singular number, unless the intention to give a more limited meaning is disclosed by the context.

"Tax year" or "taxable year" means either the calendar year, or the taxpayer's fiscal year when permission is obtained from the Department of Revenue to use same as the tax period in lieu of the calendar year.

"Sale" or "sales" includes the exchange of properties as well as the sale thereof for money, every closed transaction constituting a sale.

"Taxpayer" means any person liable for any tax hereunder.

"Gross income" means the gross receipts of the taxpayer received as compensation for personal services and the gross receipts of the taxpayer derived from trade, business, commerce or sales and the value proceeding or accruing from the sale of tangible property (real or personal) or service, or both, and all receipts by reason of the investment of the capital of the business engaged in, including interest, discount, rentals, royalties, fees or other emoluments however designated and without any deductions on account of the cost of the property sold, the cost of materials used, labor costs, taxes, royalties, interest or discount paid or any other expense whatsoever.

"Business", as used in this article, shall include all activities engaged in or caused to be engaged in with the object of gain or economic benefit either direct or indirect. The production of raw materials or manufactured products, which are used or consumed in the main business, shall be deemed business engaged in, taxable in the class in which it falls.

"Gross proceeds or sales" means the value actually proceeding from the sale of tangible property without any deduction on account of the cost of property sold or expenses of any kind. The words "gross income" and "gross proceeds of sales" shall not be construed to include cash discounts allowed and taken on sales;

the proceeds of sale of goods, wares or merchandise returned by customers when the sale price is refunded either in cash or by credit; or the sale price of any article accepted as part payment on any new article sold, if the full sale price of the new article is included in the "gross income" or "gross proceeds of sales".

"Service business or calling" shall include all nonprofessional activities engaged in for other persons for a consideration, which involve the rendering of a service as distinguished from the production or sale of tangible property, but shall not include the services rendered by an employee to his employer.

The classification of "wholesaler" or "jobber" shall apply only to a person doing a regularly organized jobbing business, known to the trade as such, selling to licensed retail merchants or jobbers, or to others in wholesale quantities and at wholesale prices.

SECTION 2. There is hereby levied and shall be collected annual privilege taxes against the persons, on account of the business and other activities, and in the amounts to be determined by the application of rates against values or gross income as set forth in sections two-(a) of this article.

If any person liable for any tax under sections two-(a) shall ship or transport his products or any part thereof out of the state without making sale of such products, the value of the products in the condition or form in which they exist immediately before transportation out of the state shall be the basis for the assessment of the tax imposed in said sections. The Department of Revenue shall prescribe equitable and uniform rules for ascertaining such value.

In determining value, however, as regards sales from one to another of affiliated companies or persons, or under other circumstances where the relation between the buyer and seller is such that the gross proceeds from the sale are not indicative of the true value of the subject matter of the sale, the Department of Revenue shall prescribe uniform and equitable rules for determining the value upon which such privilege tax shall be levied, corresponding as nearly as possible to the gross proceeds from

the sale of similar products of like quality or character where no common interest exists between the buyer and seller but the circumstances and conditions are otherwise similar.

Gross income included in the measure of the tax under sections two-(a) of this Article, except in the case of production of natural gas, shall neither be added nor deducted in computing the tax levied under the other sections of this article.

SECTION 2-(a). Upon every person engaging or continuing within this state in the business of producing for sale, profit or commercial use any natural resource products, the amount of such tax to be equal to the value of the articles produced as shown by the gross proceeds derived from the sale thereof by the producer, except as hereinafter provided, multiplied by the respective rates as follows: Coal, one per cent; limestone or sandstone, quarried or mined, one and one-half per cent; oil, three per cent; natural gas, in excess of the value of five thousand dollars, six per cent; blast furnace slag, three per cent; fluorspar, three per cent; fire clay, ball clay, pottery clay, plastic clay, flint clay, clay shale, brick clay and all other clay (other than fluorspar), two per cent; sand, gravel or any mineral product, quarried or mined and not specifically mentioned in this section, three per cent; timber, one and one-half per cent; other natural resource products, two per cent. The measure of this tax is the value of the entire production in this state, regardless of the place of sale of the fact that delivery may be made to points outside the state.

SECTION 3. The taxes levied hereunder shall be payable in quarterly installments on or before the expiration of thirty days from the end of the quarter in which they accrue. The taxpayer shall, within thirty days from the expiration of each quarter, make out an estimate of the tax for which he is liable for such quarter, verify the same by oath, and mail the same together with a remittance in the form required by section eleven of this article for the amount of the tax, to the office of the Department of Revenue. The Department of Revenue, if they deem it necessary to insure payment of the tax, may require return and payment under this section for other than quarter year periods. In estimating the amount of the tax due for each quarter the taxpayer

may deduct one-fourth of the total exemption allowed for the year. When the total tax, for which any person is liable under this article does not exceed the sum of one hundred dollars in any year, the taxpayer may pay the same quarterly as aforesaid, or pay the same at the end of the month next following the close of the tax year.

SECTION 4. On or before thirty days after the end of the tax year each person liable for the payment of a tax under section two of this article shall make a return showing the gross proceeds of sales or gross income of business, trade or calling, and compute the amount of tax chargeable against him in accordance with the provisions of this article and deduct the amount of quarterly payments (as hereinbefore provided), if any, and transmit with his report a remittance in the form required by section eleven of this article covering the residue of the tax chargeable against him to the office of the Department of Revenue; such return shall be verified by the oath of the taxpayer, if made by an individual, or by the oath of the president, vice president, secretary or treasurer of a corporation if made on behalf of a corporation. If made on behalf of a partnership, joint adventure, association, trust, or any other group or combination acting as a unit, any individual delegated by such firm, copartnership, joint adventure, association, trust or any other group or combination acting as a unit shall make the oath on behalf of the taxpayer. If for any reason it is not practicable for the individual taxpayer to make the oath, the same may be made by any duly authorized agent. The Department of Revenue, for good cause shown, may extend the time for making the annual return on the application of any taxpayer and grant such reasonable additional time within which to make the same as may, by them, be deemed advisable.

SECTION 5. If any person fail or refuse to make a return, either in whole or in part, or if the Department of Revenue has reasonable ground to believe that any return made is so deficient as not to form the basis of a satisfactory assessment of the tax, they may proceed as they deem best to obtain information on which to base the assessment of the tax. The Department of Revenue may by its duly appointed agent, make examination of the books, records, and papers, and audit the accounts of any such person, and may take the evidence, administered by its

agent, on oath, of any person who it may believe shall be in possession of any relevant information. As soon as possible after procuring such information as he may be able to obtain as to any person failing or refusing to make a return, the Department of Revenue shall proceed to assess the tax and shall notify the person assessed of the amount of the tax.

SECTION 6. The revenue derived from the tax imposed by this Act hereby is appropriated to the Common School Per Capita Fund, for the payment and increase of the monthly salaries of teachers and for no other purpose; this appropriation to be in addition to any other appropriation made by any other Act to this Common School Per Capita Fund.

SECTION 7. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of such provisions to other persons or circumstances shall not be effected thereby.

SECTION 8. All laws and parts of laws in conflict herewith are hereby repealed.

SECTION 9. The Act is to become effective July 1, 1950.

By Mrs. Burnett.

H. B. No. 262. AN ACT relating to barbiturates.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. As used in this Act:

(1) The term "barbiturate" means the salts and derivatives of Barbituric Acid also known as Malonyl Urea, having somnifacient or hypnotic action, and compounds, preparations and mixtutres of same.

(2) The term "practitioner" means a person licensed under the professional licensing laws of this state to prescribe and administer medicines.

Sec. 2. It shall be unlawful for any person to possess, manufacture, sell, dispense, prescribe or administer any barbiturate except as authorized in this Act.

Sec. 3. Duly licensed pharmacists may sell, dispense and furnish any barbiturate only upon the prescription of a practitioner and then only if the container of such barbituarte bears a label showing the name and address of the pharmacy or pharmacist, the name of the person for whom the barbiturate was prescribed, the date of filling the prescription, and if for an animal, the specie and owner of same. All such prescriptions shall be numbered and filed and retained for at least two years. No such prescription shall be refilled.

Sec. 4. A practitioner may possess barbiturates in reasonable amounts, and deliver and dispense same to his patients in the general course of his practice provided the container in which such barbiturates are dispensed bears a label showing the name of the practitioner, the name of the person for whom prescribed, date and directions for use. If prescribed for an animal, the specie and name of the owner shall be shown on the label.

Sec. 5. Wholesalers and manufacturers may possess barbiturates for manufacturing and may sell and deliver same at wholesale, accompanied in each case with an invoice or bill of sale, to the following:

(1) Pharmacists.

(2) Practitioners.

(3) For lawful research, teaching or testing, and not for resale.

(4) Hospitals and institutions where distribution is directed by practitioners.

(5) Federal, State and Local Governments.

(6) Manufacturers and other wholesalers.

Sec. 6. Nothing in this Act shall apply to a compound, mixture, or preparation containing salts or derivatives of barbituric acid which is sold in good faith for the purpose for which it is intended and not for the purpose of evading the provisions of this Act if:

(1) Such compound, mixture, or preparation contains a sufficient quantity of another drug or drugs, in addition to such salts or derivatives, to cause it to produce an action other than its hynotic or somnifacient action; or

(2) Such compound, mixture, or preparation is intended for use as a spray or gargle or for external application and contains, in addition to such salts or derivatives, some other drug or drugs rendering it unfit for internal administration.

Sec. 7. All records, prescriptions and invoices provided for in this Act shall be preserved for at least two years and open to inspection by authorized representatives of the State Board of Health and the State Board of Pharmacy.

Sec. 8. This Act shall be administered jointly by the State Board of Health and the State Board of Pharmacy and their authorized agents. The State Board of Health and the State Board of Pharmacy shall make such rules and regulations as are deemed necessary to carry out the intent and purpose of this Act.

Sec. 9. It is hereby made the duty of the State Board of Health, and the State Board of Pharmacy, their officers, agents, inspectors, and representatives and of all peace officers within the state, and of all county attorneys, to enforce all provisions of this Act, except those specifically delegated, and to cooperate with all agencies charged with the enforcement of the laws of the United States, of this state, and of all other states, relating to barbiturates.

Sec. 10. Any person violating any provision of this Act shall be fined not more than five hundred dollars or imprisoned in the county jail for not more than one year, or both.

By Mrs. Burnett and Mr. Williamson.

H. B. No. 263. AN ACT relating to the support of dependent wives, children, and poor relatives within and without the state.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sec. 1. *Short title; purpose.* This act may be cited and referred to as the uniform support of dependents act.

The purpose of this uniform act is to secure support in civil proceedings for dependent wives, children and poor relatives from persons legally responsible for their support.

Sec. 2. *Definitions.* As used in this Act, unless the context shall require otherwise, the following terms shall have the meanings ascribed to them by this section:

(a) "State" shall mean and include any state, territory or possession of the United States and the District of Columbia.

(b) "Court" shall mean a county court or a circuit court of this Commonwealth and shall mean and include a family court, domestic relations court, children's court, municipal court and any other court, by whatever name known, in any state having reciprocal laws or laws substantially similar to this Act upon which jurisdiction has been conferred to determine the liability of persons for the support of dependents within and without such state.

(c) "Child" includes a step child, foster child or legally adopted child and means a child actually or apparently under seventeen years of age, and a child over seventeen years of age who is unable to maintain himself and is likely to become a public charge.

(d) "Dependent" shall mean and include a wife, child, mother, father, grandparent or grandchild who is in need of and entitled to support from a person who is declared to be legally liable for such support by the laws of the state or states wherein the petitioner and the respondent reside.

(e) "Petitioner" shall mean and include each dependent person for whom support is sought in a proceeding instituted pursuant to this Act.

(f) "Respondent" shall mean and include each person against whom a proceeding is instituted pursuant to this Act.

(g) "Petitioner's Representative" shall mean a county attorney of any county of this Commonwealth and shall mean and include a corporation counsel, county attorney, state's attorney, commonwealth attorney and any other public officer, by whatever title his public office may be known, charged by law with

the duty of instituting, maintaining or prosecuting a proceeding under this Act or under the laws of any state having a reciprocal or substantially similar law.

(h) "Summons" shall mean and include a subpoena, warrant, citation, order or other notice, by whatever name known, provided for by the law of the state or states wherein the petitioner and the respondent reside as the means for requiring the appearance and attendance in court of the respondent in a proceeding instituted pursuant to this Act.

(i) "Initiating state" shall mean the state of domicile or residence of the petitioner.

(j) "Responding state" shall mean the state wherein the respondent resides or is domiciled or found.

Sec. 3. *Persons legally liable for support of dependents.* For the purpose of this Act:

(a) A husband in one state is hereby declared to be liable for the support of his wife and any child or children under seventeen years of age and any other dependent residing or found in the same state or in another state having substantially similar or reciprocal laws, and, if possessed of sufficient means or able to earn such means, may be required to pay for their support a fair and reasonable sum according to his means, as may be determined by the court having jurisdiction of the respondent in a proceeding instituted under this Act.

(b) A mother in one state is hereby declared to be liable for the support of her child or children under seventeen years of age residing or found in the same state or in another state having substantially similar or reciprocal laws, whenever the father of such child or children is dead, or cannot be found, or is incapable of supporting such child or children, and, if she is possessed of sufficient means or able to earn such means, she may be required to pay for the support of such child or children a fair and reasonable sum according to her means, as may be determined by the court having jurisdiction of the respondent in a proceeding instituted under this Act.

(c) The parents in one state are hereby declared to be severally liable for the support of a child seventeen years of age or older residing or found in the same state or in another

state having substantially similar or reciprocal laws, whenever such child is unable to maintain himself and is likely to become a public charge.

(d) A child or children born of parents who, at any time prior or subsequent to the birth of such child, have entered into a civil or religious marriage ceremony, shall be deemed the legitimate child or children of both parents, regardless of the validity of such marriage.

(e) A child or children born of parents who held or hold themselves out as husband and wife by virtue of a common law marriage recognized as valid by the laws of the initiating state and of the responding state shall be deemed the legitimate child or children of both parents.

(f) A woman who was or is held out as his wife by a man by virtue of a common law marriage recognized as valid by the laws of the initiating state and of the responding state shall be deemed the legitimate wife of such man.

(g) Notwithstanding the fact that the respondent has obtained in any state or country a final decree of divorce or separation from his wife or a decree dissolving his marriage, the respondent shall be deemed legally liable for the support of any dependent child of such marriage.

Sec. 4. *Jurisdiction and powers of court.* For the purposes of this Act:

(a) The Court shall have jurisdiction regardless of the state of last residence or domicile of the petitioner and the respondent and whether or not the respondent has ever been a resident of the responding state.

(b) The court of the responding state shall have the power to order the respondent to pay sums sufficient to provide necessary food, shelter, clothing, care, medical or hospital expenses, expenses of confinement, expenses of education of a child, funeral expenses and such other reasonable and proper expenses of the petitioner as justice requires, having due regard to the circumstances of the respective parties.

(c) The courts of both the initiating state and the responding state shall have the power to order testimony to be taken in either or both of such states by deposition or written inter-

rogatories, and to limit the nature of and the extent to which the right so to take testimony shall be exercised, provided that the respondent is given a full and fair opportunity to answer the allegations of the petitioner.

Sec. 5. *Cases in which proceedings are maintainable.* A proceeding to compel support of a dependent may be maintained under this Act in any of the following cases:

(a) Where the petitioner and the respondent are residents of or domiciled or found in the same state.

(b) Where the petitioner resides in one state and the respondent is a resident of or is domiciled or found in another state having substantially similar or reciprocal laws.

(c) Where the respondent is not and never was a resident of or domiciled in the initiating state and the petitioner resides or is domiciled in such state and the respondent is believed to be a resident of or domiciled in another state having substantially similar or reciprocal laws.

Sec. 6. *Procedure.*

(a) A proceeding under this Act shall be commenced by a petitioner by filing a verified petition in the court in the county of the state wherein he resides or is domiciled, showing the name, age, residence and circumstances of the petitioner, alleging that he is in need of and is entitled to support from the respondent, giving his name, age, residence and circumstances, and praying that the respondent be compelled to furnish such support.

(b) If the respondent be a resident of or domiciled in such state and the court has or can acquire jurisdiction of the person of the respondent under existing laws in effect in such state, such laws shall govern and control the procedure to be followed in such proceeding.

(c) If the respondent be not a resident of or domiciled in or cannot be found in such state, a judge of such court shall certify that a verified petition has been filed in his court in a proceeding against the respondent under this Act to compel the support of the petitioner, that a summons, duly issued out of his court for service upon the respondent has been returned

with an affidavit to the effect that the respondent cannot with due diligence be located or served with such process in the initiating state, that the respondent is believed to be residing or domiciled in the responding state and that, in his opinion, the respondent should be compelled to answer such petition and should be dealt with according to law, and he shall transmit such certificate and exemplified copies of such petition and summons to the appropriate court in the responding state.

(d) Any judge of a court in the county of the responding state in which the respondent resides or is domiciled or found, upon presentation to him of such certificate and exemplified copies of such petition and summons, shall fix a time and place for a hearing on such petition and shall issue a summons out of his court, directed to the respondent, duly requiring him to appear at such time and place.

(e) It shall not be necessary for the petitioner or the petitioner's witnesses to appear personally at such hearing, but it shall be the duty of the petitioner's representative of the responding state to appear on behalf of and represent the petitioner at all stages of the proceeding.

(f) If at such hearing the respondent controverts the petition and enters a verified denial of any of the material allegations thereof, the judge presiding at such hearing shall stay the proceedings and transmit to the judge of the court in the initiating state a transcript of the clerk's minutes showing the denials entered by the respondent.

(g) Upon receipt by the judge of the court in the initiating state of such transcript, such court shall take such proof, including the testimony of the petitioner and the petitioner's witnesses and such other evidence as the court may deem proper, and, after due deliberation, the court shall make its recommendation, based on all of such proof and evidence, and shall transmit to the court in the responding state an exemplified transcript of such proof and evidence and of its proceedings and recommendation in connection therewith.

(h) Upon the receipt of such transcript, the court in the responding state shall resume its hearing in the proceeding and shall give the respondent a reasonable opportunity to appear and reply.

(i) Upon the resumption of such hearing, the respondent shall have the right to examine or cross-examine the petitioner and the petitioner's witnesses by means of depositions or written interrogatories, and the petitioner shall have the right to examine or cross-examine the respondent and the respondent's witnesses by means of depositions or written interrogatories.

(j) If a respondent, duly summoned by a court in the responding state, wilfully fails without good cause to appear as directed in the summons, he shall be punished in the same manner and to the same extent as is provided by law for the punishment of a defendant or witness who wilfully disobeys a summons or subpoena duly issued out of such court in any other action or proceeding cognizable by said court.

(k) If, on the return day of the summons, the respondent appears at the time and place specified therein and fails to answer the petition or admits the allegations thereof, or, if, after a hearing has been duly held by the court in the responding state in accordance with the provisions of this section, such court has found and determined that the prayer of the petitioner, or any part thereof, is supported by the evidence adduced in the proceeding, and that the petitioner is in need of and entitled to support from the respondent, the court shall make and enter an order directing the respondent to furnish support to the petitioner and to pay therefor such sum as the court shall determine, having due regard to the parties' means and circumstances. An exemplified copy of such order shall be transmitted by the court to the court in the initiating state and such copy shall be filed with and made a part of the records of such court in such proceeding. The court shall place the respondent on probation on such terms and conditions as the court may deem proper or necessary to assure faithful compliance by the respondent with such order. The court shall also have power to require the respondent to furnish recognizance in the form of a cash deposit or surety bond in such amount as the court may deem proper and just to assure the payment of the amount required to be paid by the respondent for the support of the petitioner.

(l) The court making such order shall have the power to direct the respondent to make the payments required thereby

at specified intervals to the probation department or bureau of the court and to report personally to such department or bureau at such times as may be deemed necessary and the respondent shall at all times be under the supervision of such department or bureau.

(m) A respondent who shall wilfully fail to comply with or violate the terms or conditions of the support order or of his probation shall be punished by the court in the same manner and to the same extent as is provided by law for a contempt of such court or a violation of probation ordered by such court in any other suit or proceeding cognizable by such court.

(n) Upon the receipt of a payment made by the respondent pursuant to the order of the court of the responding state in any proceeding under this Act, the probation department or bureau of such court shall forthwith transmit the same to the court of the initiating state.

(o) The probation department or bureau of the court in the responding state shall, not later than thirty days following the end of each fiscal year, furnish to the court of the initiating state an itemized statement under oath of all payments made by the respondent during such fiscal year for the support of the petitioner in such proceeding.

(p) The court of the initiating state shall receive and accept all payments made by the respondent to the probation department or bureau of the court of the responding state and transmitted by the latter on behalf of the respondent. Upon receipt of any such payment, and under such rules as the court of the initiating state may prescribe, the court, or its probation department or bureau, as the court may direct, shall deliver such payment to the dependent person entitled thereto, take a proper receipt and acquittance therefor, and keep a permanent record thereof.

Sec. 7. *Duty of petitioners' representatives.* It shall be the duty of all petitioners' representatives of this state to appear in this state on behalf of and represent the petitioner in every proceeding pursuant to this Act, at the time the petition is filed and at all stages of the proceeding thereafter, and to obtain and present such evidence or proof as may be required by the court in the initiating state or the responding state.

Sec. 8. *Construction of Act.*

This Act shall be construed to furnish an additional or alternative civil remedy and shall in no way affect or impair any other remedy, civil or criminal, provided in any other statute and available to the petitioner in relation to the same subject matter.

Sec. 9. *Uniformity of interpretation.*

This Act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of the states which enact it.

By Mr. Carter, and Mr. Smith.

H. B. No. 264. AN ACT relating to the compensation of court-appointed attorneys.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Any attorney appointed by the judge of a circuit court to defend an accused in a criminal case or to render legal services in any other type of legal proceeding for which there is no other statutory provision providing compensation for such services shall be paid out of the county treasury ten dollars for the services rendered pursuant to each appointment.

By Mr. Crider.

H. B. No. 265. AN ACT relating to working hours for members of the police department of cities of the fourth class.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

In cities of the fourth class, the members of the police department, other than the chief of police, shall not be required to work more than eight hours per day for six days each week, except in the event of an emergency.

By Mr. Tinsley.

H. B. No. 266. AN ACT to repeal the tax on the sale of admission to places of amusement or entertainment, including admission to motion picture theatres, the same being accomplished by repealing Sections 138.010, 138.020, 138.030, 138.040, 138.050, 138.060, 138.070, 138.080 and 137.030 and subsections (1) and (2) of Section 138.990 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Sections 138.010, 138.020, 138.030, 138.040, 138.050, 138.060, 138.070, 138.080 and 137.030 and subsections (1) and (2) of Section 138.990 of the Kentucky Revised Statutes, are hereby repealed.

By Mr. Ruh.

H. B. No. 267. AN ACT to provide for civil service and pensions for county employees.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. DEFINITIONS AND APPLICATION.

As used in this Act, unless the context requires otherwise:

(1) "Employee" means any person employed in the conduct of county affairs and whose appointment has been made by the fiscal court, including those holding an administrative or directorial position as head of a department of county government, heretofore or hereafter established, but does not include any person appointed by the county court. Employees are governed by this section and sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14 of this Act.

(2) "Commission" means the civil service commission.

Section 2. COMMISSION FOR EMPLOYEES; CREATION: APPOINTMENT.

(1) Any county may by resolution, create civil service commission to govern employment of employees, classify employees of the county and designate the classes of employees to come under the terms of this Act.

(2) This commission shall consist of three persons appointed by the fiscal court. The original members shall be appointed one for a term of one year, one for a term of two years, and one for a term of three years. Thereafter, the term of the members shall be for three years and until their successors are appointed and qualify. Vacancies shall be filled by appointment for the unexpired term. The member originally appointed for three years shall be secretary, and on the expiration of his term, the commission shall choose one of its members as secretary. The salary of the members may be fixed by the fiscal court.

(3) Not more than two members shall be adherents of the same political party. No person shall be appointed a member who is under thirty years of age or related by blood or marriage to the county judge or to any member of the fiscal court.

Section 3. RULES.

The commission shall promulgate and enforce rules consistent with this Act and the resolutions of the fiscal court to carry out the provisions of this Act and the resolutions of the fiscal court. All rules so promulgated shall be subject to the approval of the fiscal court.

Section 4. NUMBER AND CLASS OF EMPLOYEES: SALARIES.

The number, classifications and salaries of county employees shall be fixed, from time to time, by resolution of the fiscal court.

Section 5. QUALIFICATIONS OF APPLICANTS FOR EMPLOYMENT.

No person shall be eligible for classified county employment unless he is:

(1) At least twenty-one years of age and under sixty years of age;

(2) A registered voter in the county;
(3) Known to be a person of sobriety and integrity;
(4) A law-abiding citizen; and
(5) Able to read, write and understand the English language.

Section 6. EXAMINATIONS.

(1) The commission shall examine all applicants for classified county employment within the classes designated by the fiscal court as to their physical and mental qualifications for the class of employment applied for. The examinations shall include such subjects as the commission prescribes and as are commensurate with the various positions to be filled. Separate examination shall be held for each class of position.

(2) Examinations shall be held at such times and places as the commission deems proper. Notice containing the pertinent details shall be given at least ten days in advance of each examination by publication in the newspaper having the largest bona fide circulation in the county.

(3) The applicants shall be ranked and graded according to the results of the examination. Any applicant who served in the Army, Navy or hospital service of the United States in time of War and who was honorably discharged shall be entitled to a five percent increase in his examination grade.

(4) As soon after each examination as is practicable the commission shall certify and deliver to each member of the fiscal court, a list of the applicants so examined, ranked and graded according to the result of the examination in the order of the grades, with the highest grade first.

Section 7. APPOINTMENT OF EMPLOYEES.

(1) The fiscal court shall appoint all county employees within the designated classes, from the lists certified to them by the commission. Appointment to the various positions shall be made by the selection of one of the three holding the highest grades in the examination for that position.

(2) Provided, further, that: Whenever in the exercise of a reasonable discretion, it shall be the judgment of the Fiscal

Court that economic necessity requires it, or that there is no longer a need for a particular office or position to exist, the Fiscal Court may abolish said office or position and any employee occupying said office or position may be laid off or suspended until and if such office or position is re-created or re-established. The abolition of any office or position must not be a subterfuge to effect another purpose, but must be actual and bona fide and must not amount to the mere alteration, modification or abolition of title only.

"Should any employee conceive that he has been aggrieved by the abolition or the proposed abolition of said office or position, he may, at any time within ninety days, file a petition in equity in the Circuit Court of the county wherein the Fiscal Court is located, stating his reason why the position or office has not been fairly abolished, or why it should not be abolished, and upon issue joined thereon by the Fiscal Court, the burden shall be on the latter to establish the necessity for and the good faith of the Fiscal Court in abolishing said office or position. The right to abolish and the right to have the office or position re-created shall be determined as other equitable actions are determined."

"If said office or position be re-created or re-established within five years, then any person who was deprived of his office or position shall be restored to the office or position he formerly held or occupied in the order of his seniority if he shall elect to do so, and it shall further be the duty of the Fiscal Court to advise, said employee at his last known address and to advertise at least once in the official newspaper or, if there be none, in any newspaper of general circulation in the county, that said office or position has been re-created or re-established."

(3) If there are any urgent reasons for filling a vacancy in a classified position and the commission is unable to certify a list of as many as three persons eligible for appointment after a competitive examination, the fiscal court may nominate a person to the commission for noncompetitive examination, and if the nominee is certified by the commission as qualified after the examination, he may be appointed provisionally to fill the vacancy until a regular appointment can be made from an eligible list prepared by the commission after a competitive examination, which list shall be prepared within ninety days thereafter.

(4) In an emergency, an appointment may be made by the Fiscal Court without regard to the rules of this Act, but not to continue longer than sixty days, and in no case shall successive appointments be made. Temporary appointments made necessary by disability of regular employees shall continue only during the period of disability.

(5) "Whenever, from any cause, there shall be a vacancy in any of the classified services, the employee in said classification ranking next highest in seniority, if he chooses, shall succeed to and fill said vacancy, unless upon charges made by the Fiscal Court that said employee is not qualified to fill said vacancy, and after notice and upon trial to determine his qualifications in the same manner as is now required for the dismissal, suspension or reduction in grade or pay of an employee, it be established by the Fiscal Court that said employee has not the necessary qualifications to enable him to discharge the duties of the office or position in which the said vacancy occurs. In case of a vacancy in a classified position where peculiar qualifications such as of a managerial, professional or educational character are required, and upon satisfactory evidence that for specified reasons competition in such a case is impracticable and the position can best be filled by a person of high and recognized attainment in such qualities, the commission may dispense with competition.

(6) Where there is important and urgent need for temporary service in a classified position for a period not to exceed sixty days, the fiscal court may select for the temporary service any person on the list of those eligible for permanent employment in that class. Successive temporary appointments shall not be made to the same position. The acceptance or refusal by an eligible applicant of a temporary appointment shall not affect his standing on the list for permanent employment, and the period of temporary service shall not be counted as part of the probationary service in case of subsequent appointment to a permanent position.

(7) No person shall be certified by the commission from an eligible list more than four times to the same Fiscal Court for permanent employment for the same or a similar position.

Section 8. PRESENT EMPLOYEES.

Employees who at the time this Act is adopted by any county have been in the employ of the county of one year next previous shall be eligible for appointment to the class of position held by them without examination.

Section 9. POLITICAL SENTIMENT OR ACTIVITIES.

No person shall be appointed to a classified county employment on account of political partisan service rendered by him or on account of political sentiment or activities, but any employee shall be removed and discharged for any political activity upon proper proof and hearing.

Section 10. REMOVAL, SUSPENSION OR REDUCTION.

(1) Except as provided by Section 4 of this Act, no classified employee after serving a probationary period of six months shall be removed, suspended or reduced in grade or pay for any reason except inefficiency, misconduct, insubordination or violation of law involving moral turpitude or of any rule adopted by the Fiscal Court of the commission, and then only in the manner hereinafter provided.

(2) Any person may prefer written charges against any employee by filing them with the clerk of the Fiscal Court. The charges must be signed by the person making them and must set out with clearness and distinctness each separate charge.

(3) When probable cause appears, the Fiscal Court or any member shall prefer charges against any employee whom they believe guilty of any conduct justifying his removal in the interest of public order.

(4) Where the fiscal court has probable cause to believe that any employee has been guilty of conduct justifying punishment, it shall immediately suspend the employee from duty or from both pay and duty pending trial, and the employee shall not be placed on duty or allowed pay thereafter until the charges are heard by the Fiscal Court. Acquittal of the charges shall entitle the accused to full pay for the time lost.

Section 11. HEARING.

(1) Upon the filing of charges, the clerk of the fiscal court shall without delay notify the members thereof and they shall fix a time and place for hearing the charges. The clerk shall give the accused employee at least three days' notice of the hearing by serving a copy of the charges on him, together with a statement of the time and place of hearing. The employee may waive service of the charges and demand trial within three days after they have been filed with the clerk.

(2) Upon the hearing, the charges shall be considered traversed and put in issue and the trial shall be confined to the issues presented by the written charges.

(3) The fiscal court may compel the attendance of witnesses by subpoenas issued by the clerk, served as other subpoenas, and shall have the power of a justice of the peace to punish for contempt. The accused employee is entitled to have witnesses subpoenaed on his behalf, upon furnishing their names to the clerk.

Section 12. DECISION: PUNISHMENT.

(1) The action and decision of the fiscal court on the charges shall be reduced to writing and recorded in a book to be kept for the purpose, and the written charges shall be preserved and securely attached to the book.

(2) The fiscal court may punish any employee found guilty of a charge under this Act by reprimand, by suspension for a length of time not to exceed six months, by reducing his grade, or by combining two or more of such punishments, or by removing or dismissing him.

Section 13. APPEAL.

(1) If an employee is punished by suspension of more than thirty days, by reduction in grade or by removal or dismissal, he may appeal to the Circuit Court of the county. The enforcement of the judgment of the fiscal court shall not be suspended pending the appeal.

(2) Upon the written request of the employee and payment of the cost thereof, the clerk of the fiscal court shall file in the circuit court a certified copy of the charges and the finding or

judgment of the fiscal court, whereupon the cause shall be docketed and tried de novo. If the clerk fails to file the transcript within five days after request is made, the employee may file an affidavit in the circuit court setting out as fully as possible the charges made and the judgment, with a statement of fact that the demand had been made for a transcript more than five days prior thereto. Upon the filing of the affidavit, the cause shall be docketed and the circuit court may issue mandatory order to compel the filing of the transcript by the clerk and punish him for contempt for failure to do so.

(3) The appeal shall have precedence over other business and be taken up and determined speedily.

(4) If the original punishment fixed by the fiscal court was removal or dismissal of the employee, he may appeal from the circuit court to the Court of Appeals as in other cases.

Section 14. PENSION FUND; CREATION; MAINTENANCE.

(1) Any county adopting by resolution the provisions of this Act may provide for a separate pension fund for the benefit of employees in the classified service, and for that purpose, may create separate pension boards, designate and fix the powers of the trustees of the boards, provide for the creation and maintenance of funds by assessing monthly such amount or percent of the wages of each employee as may be equitably determined on a fair actuarial basis, not to exceed a percent greater than five percent of the monthly salary of the employee. The fund shall be used for the retirement of employees after a prescribed number of years of service, for the benefit of disabled employees and for the benefit of widows and dependent children in case of death of an employee while acting within the scope of his employment or duty. The resolution may prescribe the terms and conditions of eligibility of employees or their dependents to the pension or other benefit, and provide a monthly allowance for eligible employees not to exceed one-half of the monthly salary or wage of the employee at the time of his retirement.

(2) When a county creates a pension fund under this Act and accepts from its employees a portion of their wages, an

inviolate contract shall be created and exist between the county as employer and such employees. The county and the employees shall continue to operate under this Act and the adopting resolution, and a repeal of the adopting resolution shall not affect the employee unless by mutual consent of the county and the employees.

By Mr. Barnum.

H. B. No. 268. AN ACT relating to planning and zoning commissions in cities of the first class and counties containing such cities, amending section 100.037 of Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 100.037 of Kentucky Revised Statutes is hereby amended, and as amended reads:

The commission shall elect, from among appointed members, a chairman and vice-chairman. In the absence of the chairman, and if or when there is no chairman, the vice-chairman shall act and have all of the powers and duties of the chairman. The terms of the chairman and vice-chairman shall each be for one year. The commission shall hold at least one regular meeting in each month. It shall adopt rules and regulations for the transaction of business and keep minutes and records of all of its proceedings, showing its resolutions, transactions, findings, and determinations, and the vote of each member on each question, or, if absent or failing to vote, indicating such fact, all of which shall be immediately filed in the office of the commission and shall be public records. Both the ex officio members and the apointed members, except the chairman, shall be entitled to vote on any subject or matter before the commission, and a quorum of the commission for the transaction of any business shall constitute five members. In case of a tie vote or a deadlock, the chairman shall have the power to vote and shall cast his vote and break such tie vote or dead-lock.

By Messrs. Hayes and Hale.

H. B. No. 269. AN ACT relating to the filling of vacancies on boards of education, amending Section 160.190 of the Kentucky Revised Statutes.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 160.190 of the Kentucky Revised Statutes is amended to read as follows:

Any vacancy on any board of education shall be filled for the unexpired term by the Superintendent of Public Instruction and any member so chosen shall serve until his successor is elected and has qualified.

Ordered that said resolutions and said bills be printed and referred.

CALENDAR

The House took up for consideration from the Calendar bills and a resolution of the following titles, viz:

S. B. No. 7. AN ACT changing the classification of the City of Greensburg in Green County, and declaring an emergency.

H. B. No. 90. AN ACT changing the classification of the City of Jamestown, in Russell County, and declaring an emergency.

H. B. No. 109. AN ACT changing the classification of the City of Munfordville, in Hart County.

H. B. No. 96. AN ACT relating to the indexing of real property records in counties containing a city of the second class, including provisions concerning the compensation of persons employed to keep the index systems; amending Section 382.220 of the Kentucky Revised Statutes.

H. B. No. 70. AN ACT providing that in any county containing a city of the second class and having a population of less than seventy-five thousand, and in which the county clerk shall have had his official bond executed by an incorporated surety company, the amount paid by such clerk as premium on such bond shall not be computed as part of the net compensation which he receives or retains for his services.

H. B. No. 121. AN ACT relating to juries in police courts in cities of the second class.

H. B. No. 177. AN ACT relating to cities of the second class.

H. B. No. 165. AN ACT relating to civil practice and procedure and particularly the code of practice in civil cases; providing for a civil code committee; prescribing powers and duties of such committee and additional powers and duties of the State Revision Commission; and making an appropriation.

H. B. No. 122. AN ACT relating to the taking of depositions in a criminal case, amending Section 153 of the Criminal Code of Practice.

H. B. No. 148. AN ACT amending Sections 176.260 and 176.270 of the Kentucky Revised Statutes relating to the fiscal year for the Department of Highways and the State Road Fund, thereby permanently changing the fiscal year and extending each fiscal year in order to effect the change.

H. B. No. 24. AN ACT relating to deadly weapons.

S. B. No. 30. AN ACT relating to nonprofit corporations, associations or societies, amending Section 273.050 of the Kentucky Revised Statutes, and declaring an emergency.

H. B. No. 136. AN ACT relating to Revenue and Taxation; repealing Section 138.356 Kentucky Revised Statutes.

H. B. No. 138. AN ACT relating to the condemnation of property for road and bridge purposes and related purposes by

the Commonwealth for the use and benefit of the Department of Highways.

H. B. No. 139. AN ACT relating to the condemnation of property for road and bridge purposes and other related purposes by the Commonwealth of Kentucky for the use and benefit of the Department of Highways.

H. B. No. 135. AN ACT relating to report filing date, method of payment and penalties pertaining to taxes on gasoline and other motor fuels.

H. B. No. 140. AN ACT relating to the escheat of funds represented by unclaimed pari-mutuel winning tickets.

H. B. No. 141. AN ACT relating to revenue and taxation of Public Utility Gross Receipts.

H. B. No. 137. AN ACT relating to revenue and taxation of amusement admissions; amending Section 138.030 Kentucky Revised Statutes.

H. B. No. 146. AN ACT amending Section 45.230 of the Kentucky Revised Statutes extending the time from three months to one year in which obligations incurred by the Department of Highways may be paid.

H. B. No. 142. AN ACT providing for the employment of a county road engineer, and establishing his qualifications.

H. B. No. 131. AN ACT relating to bonds of state officers and employees.

H. B. No. 57. AN ACT relating to the State Fair Board, amending Section 247.110 of the Kentucky Revised Statutes.

H. Res. No. 5. JOINT RESOLUTION authorizing Mrs. J. H. Stewart, Administratrix of the estate of Hay Stewart, deceased, to file suit against the Commonwealth of Kentucky.

Ordered that said bills and said resolution be read at length the second time.

Mr. Duncan moved that the Constitutional provision as to the second reading at length of said bills and said resolution be dispensed with, and same be read for the second time by their titles only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the second reading at length of said bills and said resolution having been dispensed with, said bills and said resolution were read for the second time by their titles only and

Ordered placed in the Orders of the Day.

Mr. Baer moved that the rules be suspended for the purpose of making a Report of Committee.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Head of the Committee on Public Health reported a bill of the following title, viz:

H. B. No. 95. AN ACT relating to penalties for violation of laws concerning pharmacists, amending Section 315.990 of the Kentucky Revised Statutes.

With Committee amendment thereto.

Said Committee amendment to said bill is as follows, viz:

Amend printed copy of H. B. No. 95, on page 2, section 1, subsection (7), line 28, by striking therefrom the words "each offense." and inserting in lieu thereof the following:

"the first and second offenses, and upon conviction of the third offense, his license shall be revoked by the State Board of Pharmacy."

With the expression of opinion that said bill should pass.

Whereupon, said bill was read at length for the first time and

Ordered placed in the Calendar.

The Speaker vacated the Chair and designated Mr. Morgan as Speaker pro tem.

The House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 17. A JOINT RESOLUTION providing for Homecoming Year in the Commonwealth of Kentucky in co-operation with the State Chamber of Commerce, and declaring an emergency.

Mr. Waterfield raised the point of order that according to the Digest said resolution was not in the Orders of the Day.

The Speaker pro tem ruled the point of order as raised by Mr. Waterfield was not well taken; that the Digest was incorrect, and said resolution was in the Orders of the Day.

Said resolution is as follows, viz:

PREAMBLE

WHEREAS, Doctor Thomas Walker of Virginia crossed Cumberland Gap on April 29, 1750, and discovered the Kentucky River, which he called the Louisa, and shortly thereafter discovered the Big Sandy River, and

WHEREAS, since that time Kentucky has been a State of tradition, history and contribution to progress, general welfare and government of the Nation, and

WHEREAS, Daniel Boone entered this State in 1769 from North Carolina as a hunter and explorer, reached Red River in 1769 and the Ohio River the first time in 1770, and

WHEREAS, there were a group of people composed of Skinny Sam Kirby and others who were known as "Long Hunt-

ers," so-called because they were absent for a great period of time from their homes in North Carolina and Virginia on their trapping, hunting and exploring trips west of the Alleghany Mountains in Kentucky, and

WHEREAS, in the 1770's Simon Kenton explored the Ohio River, the Kentucky River, and Licking River, and Captain Thomas Bullitt explored the Ohio River, Limestone Creek and Maysville region and Colonel Richard Henderson in the same year established the Company of Henderson and Company and was granted two hundred thousand (200,000) acres on the Ohio River south of Green River, and

WHEREAS, in 1775 Henderson called together the first legislative body in what is now Kentucky, what was then Boonesborough, Virginia, and

WHEREAS, the great explorer and developer of the West, Major General Rogers Clark during that part returned home and made his home permanently in Kentucky in 1776, and

WHEREAS, Harrodsburg, Kentucky, Boonesborough, Kentucky and Bryan's Station were established and fortified in the years 1774 and 1775, and

WHEREAS, in 1780 Virginia granted land in what is now Kentucky for educational purposes, and

WHEREAS, as a result Transylvania Seminary was established, which later became Transylvania University, now located at Lexington, Kentucky, and

WHEREAS, in 1776 the territory now comprising Kentucky was designated as Kentucky County, Virginia, such territory thertofore being a part of Fincastle County, Virginia, and

WHEREAS, Kentucky County, Virginia, was in 1780 divided into three counties—Jefferson, Lincoln and Fayette, and

WHEREAS, Danville, Kentucky, became the Capital of Kentucky until its admission as a State in 1792, and in Danville, Kentucky, the conventions were held from 1784 until 1792 to consider separation from Virginia, and

WHEREAS, in 1786 and prior to the separation of Kentucky from Virginia in 1792 the towns of Frankfort, Stanford and Washington were established, and

WHEREAS, by an Act of the Virginia Legislature the town of Louisville was established on the falls of the Ohio, and

WHEREAS, Kentucky has been a leader in the development of outstanding ability with its citizens as demonstrated as follows:

1. The first physician and teacher in Kentucky were in 1775. Both were of the Catholic faith. Doctor Hart and William Goomes settled at Harrods Station and later moved to Bardstown, and

WHEREAS, an aged and honorable religious group have contributed to the history of Kentucky in the establishment of Trappists came to Kentucky in 1805, and

WHEREAS, the first protestant church west of the Alleghanies was established at "Old Mulkey" in Monroe County, Kentucky, which has heretofore by the General Assembly been declared to be a State park, and

WHEREAS, the Presbyterian Church established the first Synod at Lexington, Kentucky, in 1802 under the direction of Reverend David Rice; the Baptist Church in the same year under the direction of Reverend Lewis Craig and the Reverend John Taylor; the Methodist Church under the direction of Bishop Asbury, William McKendree and Henry B. Bascom; the Christian Church under the direction of Alexander Campbell and Barton Warren Stone; the Cumberland Presbyterian Church under the direction of Finis Ewing and F. R. Cossett and The Episcopal Church under the direction of the Reverend George T. Chapman, Bishop B. B. Smith and the Reverend Benjamin O. Peers, and

WHEREAS, the first institution for the treatment of mental ailments in the West and the second such institution in the United States was established at Lexington, Kentucky, in 1816 with State support, and

WHEREAS, Transylvania University, as heretofore mentioned, became the first collegiate institution in Kentucky as Transylvania Seminary in 1783, and

WHEREAS, the first steamboats in the world were built by Kentuckians, to-wit: John Fitch in 1787, 1788 and 1789, who conceived the idea in 1780, and by James Rumsey in 1787 and 1793, and

WHEREAS, the first tobacco inspection in the world from the standpoint of sale occurred at the mouth of Hickman's Creek on the Kentucky River in 1783, and

WHEREAS, the first locomotive in the world was built in the winter of 1826-27 by Thomas H. Barlow at Lexington, Kentucky, and

WHEREAS, the first iron furnace in the production of iron west of the Alleghany Mountains was established near Owingsville, Kentucky, in Bath County, by Jacob Meyers, and

WHEREAS, the first railroad tracks in the West and the second in the United States from Lexington to Frankfort, Kentucky, begun in 1831 and finished in 1835, and

WHEREAS, the first road in Kentucky, called "Trace" in those days, was marked out by Daniel Boone in 1775 from Cumberland Gap to Boonesborough under contract with the new proprietary government of Henderon and Company, and

WHEREAS, the first macadamized road was constructed in 1829 from Maysville to Washington and later extended to Lexington, and

WHEREAS, Kentucky became famous for the first bourbon whiskey made in 1789 at Georgetown near Royal Spring, and

WHEREAS, the first horse races west of the Alleghanies occurred at Harrodsburg, Kentucky in 1783 (and it is interesting to note that one Hugh McGary was tried and found guilty as an infamous gambler and not eligible to any office of trust or honor within this State for betting twelve pounds upon the race) and

WHEREAS, in the War of 1812 the victories of Kentucky troops in Canada both in the Battle of the Thames and in MacArthur's raid to Niagara Falls through Canada's lower peninsula between Detroit and Buffalo meant that the line held by the British Indians from St. Louis and Indianapolis through to Columbus and Pittsburgh was broken and the great middle-west of this Country exists as a result of the valor and victories of Kentucky troops in these battles, and

WHEREAS, Kentuckians from the time that they ceased to be Virginians have given of their services with patriotism to their country, first, in the Revolutionary War, second, in the French and Indian War, third, in the War of 1812, fourth, in the Mexican War, fifth, the Civil War, sixth, the Spanish-American War, seventh, World War Number 1, and eighth, World War Number Two, and

WHEREAS, Kentucky was united in all of these wars, except one, to fight the common enemy, and

WHEREAS, in the Civil War Kentucky gave to the North her Northern Kentucky sympathizers and the native Kentuckian as their leader, Abraham Lincoln, and gave to the South native Kentuckians and their leader Jefferson Davis, and

WHEREAS, Bowling Green, Kentucky was the first Capital of the Confederacy, and

WHEREAS, Kentucky has given to the Nation many soldiers, statesmen and diplomats including Zachary Taylor as the President of the United States, three Vice Presidents, Richard Mentor Johnson, John Cabell Breckinridge and Alben W. Barkley, and

WHEREAS, Kentucky has given of its legal talent many Justices on the Supreme Court of the United States, and

WHEREAS, natives of Kentucky are highly appreciative of the fact that in this homecoming year Kentucky enjoys the distinction of having as the Vice President of the United States

Alben W. Barkley and the Chief Justice of the Supreme Court of the United States, Fred M. Vinson, and

WHEREAS, Kentucky natives or descendants of Kentucky natives have achieved success and prominence in every State in the Union as statesmen, many of whom have been elected Governors of many of our sister states, and

WHEREAS, we believe that the entire Commonwealth of Kentucky and the natives of Kentucky who have migrated therefrom and their descendants would like to view these historical places and have renewed pride in the great State of the Union and in the people within whose veins run Kentucky blood. No state can claim greater credit in the field of science, invention, politics or government, and

WHEREAS, the General Assembly of the Commonwealth of Kentucky, and as it is advised the Governor of the Commonwealth of Kentucky, desire to cooperate with the forward-looking progressive State Chamber of Commerce in continuing to make Kentucky a better State and in asking those who have left their own old Kentucky home, or those whose ancestors lived in an old Kentucky home, to return and see the State that at the end of the Civil War brought union to the Nation by reuniting the stars in the field of blue and by joining together the stripes of red and white into the one flag that stands out today as the Nation of the World that believes in peace, humanity and general welfare of its citizens, NOW THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1. The Governor of the Commonwealth of Kentucky shall designate by proclamation setting forth the homecoming period in Kentucky as beginning on the two hundredth (200th) anniversary of the entry of Thomas Walker into this State, such date being April 29, 1750; and such homecoming to begin April 29, 1950.

2. That the Governor of Kentucky shall appoint a Committee of citizens of the Commonwealth to cooperate with a

like Committee appointed by the State Chamber of Commerce of the Commonwealth of Kentucky in arranging for various dates and periods for receptions and celebrations for the homecoming citizens at various points of historical interest in Kentucky, and including the points of interest in the newly developed program of parks under the Department of Conservation:

3. The Governor of Kentucky is hereby further authorized and requested by the General Assembly of Kentucky in cooperation with the State Chamber of Commerce to expend from his emergency fund such funds as in his discretion will be deemed necessary to properly publicize and invite natives of Kentucky and all descendants of native Kentuckians now living beyond the borders of the Commonwealth of Kentucky to return and see either their forebearers' old Kentucky home.

4. WHEREAS, in order to accomplish the purposes of this Resolution it is essential that the Resolution become effective before April 29, 1950, an emergency is declared to exist and this Resolution shall take effect upon its passage and approval by the Governor.

Mr. Ruh moved the Previous Question.

Whereupon, the Speaker pro-tem announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Ruh moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	John A. Head	C. S. Nabb
Bill Adams	William K. Henry	W. R. Reasor
Sidney Baer	Woodrow W. Hollan	Carl J. Ruh
Clarence J. Barnum	Chester J. Holsclaw	Amos Runyan
C. E. Baumgardner	W. M. Horn, Jr.	Dr. Roy Sanders
John D. Beatty	Richard R. Houpt	LeRoy Saylor
L. E. Bradley	Durham W. Howard	Roy Searcy
Edward O. Bridgers	Robert N. Hubbard	Paul E. Shannon
Thomas L. Britton	Silas Jacobs	Gus Sheehan, Jr.
Charles J. Bronston	Paul S. Jonas	Jesse H. Shelton
J. D. Buckman, Jr.	Barkley Jones	Forest Smith
Mrs. M. E. Burnett	William Jones	John M. Spaulding
Stanley Carter	Jesse H. Lawrence	J. Claude Stacy
Paul Combs	Mrs. J. T. Linton	Raymond D. Stigall
Josh R. Cosby	A. L. (Chick) Love	Mrs. Thelma Stovall
B. H. Crider	Harry K. Lowman	W. R. Stringer
G. I. Drury	True Mackey	M. G. Thompson
Thomas R. Duncan	Damon Majors	Rev. T. H. Tinsley
R. C. Estepp, Sr.	John Martin	Fred M. Warns
Mitchell S. Fannin	William T. Marshall	Harry Lee Waterfield
Henry C. Hale	G. Lee McClain	Lyle H. Webb
C. A. Hammons	Archie R. Moore	G. F. Williamson
James P. Hanratty	Emmett G. Moore	Charles W. Wirsch
George F. Harris	Walter R. Moorman	Adron Doran,
Paul E. Hayes	Fred H. Morgan	Speaker

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Resolved that the title thereof be as aforesaid.

Mr. Ruh moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

The House took up for consideration from the Orders of the Day a resolution of the following title, viz:

H. Res. No. 10. A JOINT RESOLUTION authorizing Johnie Hale of Prestonsburg, Kentucky, to sue the Commonwealth of Kentucky.

Said resolution is as follows, viz:

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

That Johnie Hale of Prestonsburg, Kentucky, is authorized to sue the Commonwealth of Kentucky in the Floyd Circuit Court for damage to a truck owned by him and for damages suffered because of loss of use of the truck, said damages alleged to have been caused by negligence on the part of an employe of the Department of Highways and the Commonwealth of Kentucky, while said employe was acting in the line of duty.

Said suit shall be in a sum not to exceed $2275.00.

The Attorney General of the Commonwealth of Kentucky may investigate the claim against the Commonwealth of Kentucky herein, and settle said claim before or after suit is filed, if he deems it advisable. Any amount recovered in said suit or by settlement with the Attorney General shall be paid out of the State Road Fund upon warrant drawn by the Commissioner of Finance upon the State Treasurer.

In the event suit is filed and judgment rendered by the circuit court, either party may appeal to the Court of Appeals of Kentucky.

No statement in this resolution shall be considered by either the court or the jury as an admission of negligence upon the part of the Commonwealth and this resolution shall not be introduced as evidence, nor commented upon by counsel in the argument of the case to the jury.

Mr. Hayes moved the Previous Question.

Whereupon, the Speaker pro-tem announced, "Shall the Main Question be now put?"

Which was decided in the affirmative.

Ordered that said resolution be read at length the third time.

Mr. Hayes moved that the Constitutional provision as to the third reading at length of said resolution be dispensed with, and same be read for the third time by its title only.

Said motion was agreed to by a majority of the members elected.

Whereupon, the Constitutional provision as to the third reading at length of said resolution having been dispensed with, said resolution was read for the third time by its title only and passed.

The yeas and nays being taken on the passage of said resolution in accordance with the provision of the Constitution were as follows, viz:

Those who voted in the affirmative were—

Bernam Adams	Paul E. Hayes	Walter R. Moorman
Bill Adams	John A. Head	Dr. C. E. Palmore
Edgar Arnett	William K. Henry	James H. Polsgrove
Sidney Baer	Ray Holbrook	W. R. Reasor
Clarence J. Barnum	Woodrow W. Hollan	Carl J. Ruh
C. E. Baumgardner	Chester J. Holsclaw	Amos Runyan
John D. Beatty	W. M. Horn, Jr.	Dr. Roy Sanders
Fred Beshear	Richard R. Houpt	LeRoy Saylor
L. E. Bradley	Robert N. Hubbard	Paul E. Shannon
Edward O. Bridgers	Silas Jacobs	Gus Sheehan, Jr.
Charles J. Bronston	Paul S. Jonas	Jesse H. Shelton
J. D. Buckman, Jr.	Barkley Jones	Forest Smith
Mrs. M. E. Burnett	William Jones	Joseph T. Snapp
Alex Calvert	Jesse H. Lawrence	John M. Spaulding
Stanley Carter	Mrs. J. T. Linton	J. Claude Stacy
Paul Combs	A. L. (Chick) Love	Raymond D. Stigall
Josh R. Cosby	Harry K. Lowman	Mrs. Thelma Stovall
B. H. Crider	True Mackey	W. R. Stringer
Owen Deering	Damon Majors	M. G. Thompson
G. I. Drury	John Martin	Rev. T. H. Tinsley
Thomas R. Duncan	William T. Marshall	Fred M. Warns
Mitchell S. Fannin	G. Lee McClain	Harry Lee Waterfield
Henry C. Hale	Jack McPherron	Lyle H. Webb
C. A. Hammons	Alton Mitchell	Charles W. Wirsch
James P. Hanratty	Archie R. Moore	Adron Doran,
George F. Harris	Emmett G. Moore	Speaker

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Resolved that the title thereof be as aforesaid.

Mr. Hayes moved that the vote by which said resolution was passed be reconsidered and that said motion be laid on the table.

Said last named motion was agreed to.

Mr. Calvert moved that the rules be suspended for the purpose of introducing bills.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Calvert offered the following bill, viz:

H. B. No. 270. AN ACT relating to revenue and taxation.

Said bill is as follows, viz:

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Definitions.

(a) "Coin Machine" or "Coin operated amusement and vending machine" shall mean and include any lawful coin or token operated machine or device which contains no element of chance and which as a result of depositing a coin, token or other object automatically by or through some mechanical operation affords music or amusement of some character with or without vending any merchandise, but in addition to any such merchandise. Such coin operated amusement and vending machine shall not include any bona fide merchandise vending machines in which there is incorporated no amusement features.

(b) "Token" shall include chips, checks or other articles which may be used to operate a coin machine.

(c) "Department" shall mean the Department of Revenue.

(d) "License Stamp" shall mean any permanently fixed stamp evidencing payment of the tax, and prescribed by regulation of the Department.

(e) "Person" shall include an individual or an unincorporated association, including a partnership, a limited partnership, or any other form of unincorporated enterprise owned by

two or more individuals, or a corporation. Whenever used in any clause prescribing and imposing a fine or imprisonment, or both, the term "person," as applied to a partnership, limited partnership, or any form of unincorporated enterprise, shall mean the partners or members thereof, and as applied to corporations, the officers thereof.

Section 2. The administration of this Act is hereby vested in the Department of Revenue, subject to KRS 131.130 and other provisions of law relating to the Department.

Section 3. Licenses required under this Act shall be procured by the owner of the coin machine provided, however, any operator, lessee, or other person, or their agents, or receivers, shall be jointly and severally liable with the owner for procuring the license. The license shall be in the nature of an excise tax for the privilege of engaging in the business of selling entertainment or amusement, or a combination of merchandise, entertainment or amusement, by means of coin machines and shall be based on the number of machines which such person shall operate, permit to be operated, or use for gain. No person shall operate, permit to be operated, or use for gain any coin operated amusement and vending machine unless and until a license is secured as provided in this Act and unless a license stamp receipt evidencing payment of the tax is permanently fixed to and on such coin machine in such manner as the Department may by regulation prescribe. No person shall operate, permit to be operated, or use for gain any such coin machine which does not have on its face instructions as to its operation and what the user of the machine will receive for his purchase. Nothing in this Act shall be construed to legalize the operation of any coin machine otherwise unlawful, and neither the payment of the tax nor the fixing of a license stamp receipt on an illegal machine shall be a bar to prosecution for such illegal possession or operation. Nothing in this Act shall apply to any coin machine when such machine is kept in a regular place of business of distributors or manufacturers, without being operated, for sale or lease only. Nor shall this Act be construed as authorizing or legalizing such manufacturer or other person to operate for gain such lawful coin machine without license, nor to have in their possession or offer for sale illegal coin machines.

Section 4. Applications for any license stamps or receipts provided for in this Act shall be made in writing to the Department at its offices in Frankfort, Kentucky, on forms prescribed and furnished by the Department and shall be accompanied by a sworn affidavit that the operation of the coin machines for which license applications are being made is not otherwise prohibited by law.

Section 5. The Department of Revenue shall issue licenses upon coin operated amusement and vending machines to any person making application therefor as set out herein upon the payment of a tax of ten dollars ($10.00) per annum.

Section 6. All licenses issued under this Act shall be obtained on or before July 1, and shall expire on the following June 30, of each year; provided, however, any person may procure a license to be effective only between January 1 and June 30 of any year by paying therefor a sum equal to one-half of the annual license fee required herein.

Section 7. Any person required to secure a license and to pay a tax under this Act who shall fail to secure the license and pay the tax at the time required herein shall pay a penalty of twenty per cent (20%) of the amount of the tax due and in addition thereto interest at the rate of one-half of one per cent (½ of 1%) per month on the principal amount of the tax during the period in which the tax is due and unpaid.

Section 8. Every municipal corporation of the Commonwealth is hereby authorized and empowered to levy a tax on coin machines as defined and provided in this Act; provided, however, that any license tax so imposed by a municipal corporation shall not exceed in amount the taxes herein provided for state purposes, except that cities of the first class may levy taxes equal to twice the amount of the state taxes herein provided.

Section 9. Whoever violates any of the provisions of this Act shall, upon conviction thereof, be fined not less than Twenty-five Dollars ($25.00) nor more than Five Hundred Dollars ($500.00). Whoever attaches or causes to be attached to a coin machine any fictitious evidence of tax payment purported to be issued by the Department, or a counterfeit thereof, shall upon

conviction thereof be fined not less than One Thousand Dollars ($1,000.00), and each separate fictitious counterfeit license stamp or receipt so attached or used on a coin machine shall constitute a separate and distinct offense.

Section 10. All moneys and revenues received under the provisions of this Act shall be paid into the State Treasury to the credit of the General Fund.

Section 11. Should any section or any other part of this Act be declared unconstitutional, it shall not affect the constitutionality of the remaining portions thereof.

Section 12. KRS Sections 137.260, 137.270, 137.280, 137.290, 137.300, 137.310, 137.320, 137.330, subsection (3) of 137.010 and subsection (6) of 137.990 are repealed.

Section 13. Whereas experience has demonstrated that KRS Sections 137.260 to 137.330, subsection (3) of 137.010 and subsection (6) of 137.990 are rife with unresolved legal questions and in the light of these, it is impossible to administer the taxes equitably or without unreasonable expense and effort; therefore, an emergency is declared, and this act shall become effective upon approval by the Governor.

Ordered that said bill be printed and referred.

The Speaker Pro-Tem announced that the Speaker had referred H. B. No. 270 to the Committee on Kentucky Statutes No. 1.

Mr. Hanratty moved that the House do now recess for five minutes.

Said motion was agreed to.

And then the House recessed.

Five minutes having expired, the Speaker Pro-Tem resumed the Chair and called the House to order.

Mr. Hanratty moved that the rules be suspended for the purpose of making a Report of Committee.

Said motion was agreed to by a majority of the members elected.

Thereupon, Mr. Hanratty of the Committee on Kentucky Statutes No. 1 reported a bill of the following title, viz:

H. B. No. 270. AN ACT relating to revenue and taxation.

With the expression of opinion that same should pass.

Whereupon, said bill was read at length for the first time and

Ordered placed in the Calendar.

The Speaker Pro-Tem announced that he had referred bills and resolutions heretofore introduced or reported as follows, viz:

House Bill No. 225—Revenue and Taxation No. 1

House Bill No. 226—Revenue and Taxation No. 1

House Bill No. 227—Kentucky Statutes No. 1

House Bill No. 228—Public Health

House Bill No. 229—Suffrage and Elections

House Bill No. 230—Education No. 1

House Bill No. 231—Suffrage and Elections

House Bill No. 232—Ways and Means

House Bill No. 233—Kentucky Statutes No. 1

House Bill No. 234—Suffrage and Elections

House Bill No. 235—Revenue and Taxation No. 1

House Bill No. 236—Fish and Game

House Bill No. 237—Labor

House Bill No. 238—Labor

House Bill No. 239—Codes and Practice

House Bill No. 240—Codes and Practice

House Bill No. 241—Revenue and Taxation No. 1

House Bill No. 242—Kentucky Statutes No. 1

House Bill No. 243—Kentucky Statutes No. 1

House Bill No. 244—Kentucky Statutes No. 1

House Bill No. 245—Kentucky Statutes No. 1

House Bill No. 246—Revenue and Taxation No. 1

House Bill No. 247—Codes and Practice

House Bill No. 248—Cities of the 2nd Class

House Bill No. 249—Veterans Affairs

House Bill No. 250—Education No. 1

House Bill No. 251—Revenue & Taxation No. 1

House Bill No. 252—Kentucky Statutes No. 1

House Bill No. 253—Cities of the 3rd Class

House Bill No. 254—Public Utilities

House Bill No. 255—Suffrage and Elections

House Bill No. 256—Revenue and Taxation No. 1

House Bill No. 257—Revenue and Taxation No. 1

House Res. No. 26—Claims

House Res. No. 27—Claims

House Res. No. 28—Claims

House Res. No. 29—Claims

Senate Bill No. 1—Kentucky Statutes No. 1

Senate Bill No. 20—Courts

Senate Bill No. 24—Judicial Council

Senate Bill No. 27—Public Health

Senate Bill No. 41—Cities of the 5th Class

Senate Bill No. 49—Cities of the 4th Class

Senate Bill No. 72—Cities of the 4th Class

Senate Bill No. 75—Cities of the 3rd Class

Mr. Hanratty moved that the House do now adjourn to meet again at 1 o'clock, p.m., Tuesday, February 7, 1950.

Said motion was agreed to.

And then the House adjourned.